

GOVERNMENT CODE

TITLE 10. GENERAL GOVERNMENT

SUBTITLE G. ECONOMIC DEVELOPMENT PROGRAMS INVOLVING BOTH STATE AND
LOCAL GOVERNMENTS

CHAPTER 2305. RESTITUTION FOR OIL OVERCHARGES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 2305.001. SHORT TITLE. This chapter may be cited as the Oil Overcharge Restitutionary Act.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2305.002. DEFINITIONS. In this chapter:

(1) "Account" means the oil overcharge account.

(2) "Applicable federal guidelines" means federal court judgments or orders, case settlements, laws, regulations, or other requirements or discretionary authority, imposed by the judicial, legislative, or executive branch, that govern or restrict the use of money received by the state because of petroleum overcharge litigation relating to the overpricing of crude oil or refined petroleum products during the 1973-1981 period of mandatory federal price controls.

(3) "Energy office" means the state energy conservation office of the comptroller's office as established by Chapter [447](#).

(4) "Supervising state agency" means the state agency, department, commission, or other entity designated by this chapter or by the governor to supervise, manage, or administer a program financed under this chapter.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 1995, 74th Leg., ch. 526, Sec. 4, eff. Sept. 1, 1995; Acts 1995, 74th Leg., ch. 698, Sec. 1, eff. Aug. 28, 1995; Acts 1997, 75th Leg., ch. 521, Sec. 2, eff. Sept. 1, 1997; Acts 2001, 77th Leg., ch. 1158, Sec. 74, eff. June 15, 2001; Acts 2001, 77th Leg., ch. 1398, Sec. 2, eff. Sept. 1, 2001.

SUBCHAPTER B. PROGRAM ADMINISTRATION

Sec. 2305.011. ADMINISTRATION BY COMPTROLLER'S OFFICE AND ENERGY OFFICE. (a) The energy office shall oversee and monitor the administration of programs prescribed by this chapter.

(b) The governor and the energy office may establish direct grant programs and competitive grant programs in addition to the programs provided by this chapter.

(c) The energy office shall establish programs and criteria and evaluate a proposal in accordance with applicable federal guidelines.

(d) The energy office shall send to the appropriate federal entity all information required under applicable federal guidelines.

(e) Criteria established under this section may apply generally to all programs or specifically to one or more programs.

(f) The comptroller may establish procedures and adopt rules as necessary to administer the programs prescribed by this chapter.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.
Amended by Acts 1995, 74th Leg., ch. 526, Sec. 5, eff. Sept. 1, 1995; Acts 1995, 74th Leg., ch. 698, Sec. 2, eff. Aug. 28, 1995; Acts 1997, 75th Leg., ch. 521, Sec. 3, eff. Sept. 1, 1997; Acts 2001, 77th Leg., ch. 1158, Sec. 75, 76, eff. June 15, 2001; Acts 2001, 77th Leg., ch. 1398, Sec. 3, 4, eff. Sept. 1, 2001.

Sec. 2305.012. ADMINISTRATION; ASSISTANCE. (a) The energy office shall implement and administer this chapter.

(b) The energy office or the governor through the energy office may enlist the assistance of a private entity or a state agency, department, commission, or other entity to:

(1) evaluate or review a proposal;

(2) audit a program participant or a supervising state agency;

(3) perform administrative duties under this chapter;

or

(4) develop eligibility or evaluation criteria.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 2003, 78th Leg., ch. 1310, Sec. 63, eff. June 20, 2003.

SUBCHAPTER C. FINANCIAL PROVISIONS

Sec. 2305.021. OIL OVERCHARGE ACCOUNT. (a) The oil overcharge account is an account in the general revenue fund.

(b) The comptroller shall deposit to the credit of the account any amount received as a result of petroleum overcharge litigation relating to the overpricing of crude oil or refined petroleum products during the 1973-1981 period of mandatory federal price controls.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Sec. 2305.022. USE OF ACCOUNT. Money in the account may be used only by the governor and the comptroller's office to implement and operate the programs authorized by this chapter.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 1997, 75th Leg., ch. 521, Sec. 4, eff. Sept. 1, 1997; Acts 2001, 77th Leg., ch. 1158, Sec. 77, eff. June 15, 2001; Acts 2001, 77th Leg., ch. 1398, Sec. 5, eff. Sept. 1, 2001.

Sec. 2305.023. ACCOUNT RECORDS; ENERGY OFFICE REPORT. (a) The comptroller shall establish records of the money in the account that are sufficient to identify the source of each particular amount in the account to facilitate a determination of compliance with applicable federal guidelines relating to the use of money derived from each particular source.

(b) Not later than January 15 of each odd-numbered year, the energy office shall submit to the governor and the legislature a biennial report that shows the expenditures from the account during the previous biennium and the amount remaining in the account on the date of the report.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 1997, 75th Leg., ch. 521, Sec. 4, eff. Sept. 1, 1997.

Sec. 2305.024. INVESTMENT OF MONEY AND DEPOSIT OF INTEREST.

(a) The comptroller may invest unobligated money in the account in accordance with Subchapter C, Chapter 404.

(b) The comptroller shall deposit to the credit of the account all interest or other income received from the investment of the money.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

Amended by Acts 1997, 75th Leg., ch. 1423, Sec. 8.74, eff. Sept. 1, 1997.

Sec. 2305.026. EFFECT OF RESTRICTION ON USE OR RECEIPT OF MONEY. A restriction or other criterion provided by or under this chapter that relates to the use or receipt of money awarded under this chapter to a supervising state agency, local recipient, or other person applies only to the use or receipt of that money and does not affect the use or receipt of money provided under other law.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.

SUBCHAPTER D. OIL OVERCHARGE PROGRAMS

Sec. 2305.031. OIL OVERCHARGE PROGRAMS. The energy office shall maintain a revolving loan program for the benefit of state agencies, universities, and political subdivisions. The energy office shall use oil overcharge funds for the programs and purposes in this subchapter.

Added by Acts 1997, 75th Leg., ch. 521, Sec. 5, eff. Sept. 1, 1997.

Sec. 2305.032. LOANSTAR REVOLVING LOAN PROGRAM. (a) The energy office under the loanstar revolving loan program may provide loans to finance energy and water efficiency measures for public facilities.

(b) The energy office shall determine the terms under which a loan may be made under this section and shall set the interest rate for a loan at a low rate that the energy office determines is sufficient to recover the cost of administering the loan program.

(c) Repealed by Acts 2003, 78th Leg., ch. 1310, Sec.

121(16).

(d) Any borrower that receives a loan under this section shall repay the principal of and interest on the loan from the value of energy savings that accrues as the result of the energy conservation measure implemented with the borrowed money.

(e) An institution that receives a loan under this section shall repay the loan from the amount budgeted for the agency's or institution's energy costs. Until the loan is repaid, the legislature may not reduce the amount budgeted for those energy costs to reflect the value of energy savings that accrues as a result of the energy conservation measure implemented with the borrowed money.

(f) The energy office shall allocate at least \$95 million, including loan commitments and cash on hand, to the loanstar program and shall administer the funds under its control in a manner that assures that funds available to the loanstar program equal or exceed \$95 million at all times.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Renumbered from Government Code Sec. 2305.065 and amended by Acts 1997, 75th Leg., ch. 521, Sec. 6, eff. Sept. 1, 1997; Acts 2003, 78th Leg., ch. 1310, Sec. 64, 121(16), eff. June 20, 2003.

Sec. 2305.033. STATE ENERGY PROGRAM. (a) The energy office is the supervising state agency for the state energy program.

(b) In accordance with Part D, Title III, Energy Policy and Conservation Act (42 U.S.C. Sec. 6321 et seq.), and its subsequent amendments, the energy office, under the program, shall distribute funds for projects that save measurable quantities of energy.

(c) Repealed by Acts 2003, 78th Leg., ch. 1310, Sec. 121(17).

(d) A proposal under Subsection (b) must:

- (1) promote the conservation of energy; or
- (2) improve the efficient use of energy through activities that result in quantifiable energy savings, including:
 - (A) energy audits of buildings;
 - (B) technical assistance in reducing energy bills;

(C) training to building operators and fiscal officers on various energy issues such as utility bill analysis and energy management techniques; or

(D) other technical assistance to programs for which funds are appropriated.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Renumbered from Government Code Sec. 2305.041 and amended by Acts 1997, 75th Leg., ch. 521, Sec. 7, eff. Sept. 1, 1997; Acts 2003, 78th Leg., ch. 1310, Sec. 65, 121(17), eff. June 20, 2003.

Sec. 2305.034. STATE AGENCIES PROGRAM. The energy office is the supervising agency for the state agencies program that may distribute funds through Chapter 447. Projects funded under this section may include:

- (1) energy manager training;
- (2) energy savings performance contracting services, including:
 - (A) education and training;
 - (B) contract review and approval;
 - (C) third-party contract review;
 - (D) development and dissemination of guidelines;
- and
- (E) identification of contract financing sources;
- (3) energy-efficient design assistance for new facilities, including major renovation;
- (4) projects for state building design standards compliance;
- (5) projects to create awareness of model energy codes at the local and state levels;
- (6) projects to develop and maintain the state's utility database; and
- (7) other appropriate energy and information applications.

Added by Acts 1997, 75th Leg., ch. 521, Sec. 8, eff. Sept. 1, 1997. Amended by Acts 2003, 78th Leg., ch. 1310, Sec. 66, eff. June 20, 2003.

Sec. 2305.035. ALTERNATIVE FUELS PROGRAM. (a) The energy office is the supervising state agency for the alternative fuels program.

(b) The energy office shall provide funds under the program to promote, facilitate, and support the use of alternative fuels in this state.

(c) Among the projects that may be funded under this section are:

- (1) clean air projects;
- (2) educational projects;
- (3) demonstration and conversion projects; and
- (4) technical research and training projects.

Added by Acts 1997, 75th Leg., ch. 521, Sec. 8, eff. Sept. 1, 1997.

Sec. 2305.036. HOUSING PARTNERSHIP PROGRAM. (a) The energy office is the supervising state agency for the housing partnership program.

(b) The energy office shall promote the efficient use of energy in Texas residential housing through grants, partnerships, and loans.

(c) Projects funded under this program may include:

- (1) projects to demonstrate commercially available cost-effective energy-saving techniques and technologies;
- (2) training and technical assistance in energy-efficient construction, design, or remodeling;
- (3) projects to provide energy education workshops or seminars for consumers;
- (4) financing for energy designs and improvements, energy-efficient appliances, and energy management systems; and
- (5) funding of a weatherization assistance program through the Texas Department Of Housing and Community Affairs to benefit individuals of low income.

(d) The ultimate beneficiaries of the program shall be residential energy consumers, primarily targeting low-to-moderate income households.

(e) Nonprofit organizations, community action agencies,

local governments, regional government councils, universities, utility companies, public housing authorities, community-based organizations, social service agencies, and other service-related organizations may serve as leads in establishing partnerships with the agency.

(f) The energy office may require grant recipients to match a grant in a ratio determined by the energy office.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Renumbered from Government Code Sec. 2305.064 and amended by Acts 1997, 75th Leg., ch. 521, Sec. 9, eff. Sept. 1, 1997.

Sec. 2305.037. INNOVATIVE ENERGY DEMONSTRATION PROGRAM.

(a) The energy office is the supervising state agency of the innovative energy demonstration program and shall distribute grant money under the program for demonstration projects that develop sustainable and innovative energy resources, including:

- (1) a clean coal project, as defined by Section [5.001](#), Water Code;
- (2) a gasification project for a coal and biomass mixture;
- (3) photovoltaic, biomass, wind, and solar applications; and
- (4) other appropriate low-emission, renewable, and sustainable energy applications.

(b) Contingent on the selection of a Texas site for the location of the coal-based integrated sequestration and hydrogen project to be built in partnership with the United States Department of Energy, commonly referred to as the FutureGen project, and to the extent that funds are appropriated for this purpose, the energy office shall distribute to the managing entity of the FutureGen project an amount equal to 50 percent of the total amount invested in the project by private industry sources. The managing entity of the FutureGen project shall provide records as considered necessary by the energy office to justify grants under this subsection. Cumulative distributions under this subsection may not exceed \$20 million.

(c) The energy office may require a grant recipient under

the program to match a grant in a ratio determined by the energy office.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.
Renumbered from Government Code Sec. 2305.067 and amended by Acts 1997, 75th Leg., ch. 521, Sec. 10, eff. Sept. 1, 1997.

Amended by:

Acts 2005, 79th Leg., Ch. 1097 (H.B. [2201](#)), Sec. 2, eff. June 18, 2005.

Sec. 2305.038. LOCAL GOVERNMENT ENERGY PROGRAM. (a) The energy office is the supervisory agency for the local government energy program to provide energy management assistance to public schools, health care institutions, and other local governments.

(b) Projects funded under this section may include:

(1) energy management training workshops that address current energy issues and state-of-the-art building energy technologies;

(2) energy-efficient partnerships with school districts or health care facilities to identify building energy performances, set up customized utility tracking systems, establish operation and maintenance procedures to curtail energy waste, identify capital energy projects that will yield a high return on investment, and locate appropriate sources of retrofit financing;

(3) assistance in analyzing alternative methods of financing energy-saving projects and negotiating contracts with power suppliers;

(4) technical support in designing new facilities, building additions, and renovations for energy-efficient operation; and

(5) colonias as defined by Section [2306.581](#).

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.
Renumbered from Government Code Sec. 2305.069 and amended by Acts 1997, 75th Leg., ch. 521, Sec. 11, eff. Sept. 1, 1997.

Sec. 2305.039. TRANSPORTATION ENERGY PROGRAM. (a) The energy office is the supervising state agency of the transportation

energy program and shall distribute funds under the program for projects relating to mass transit and other transportation services.

(b) A project may:

(1) assist a service provider in providing services such as:

(A) computerized transit routing that is energy efficient;

(B) commuting solutions; and

(C) public education related to mass transit; and

(2) include studies to improve existing systems and plan for future transportation systems in this state.

(c) The energy office may require a grant recipient to match a grant in a ratio determined by the energy office.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993. Renumbered from Government Code Sec. 2305.070 and amended by Acts 1997, 75th Leg., ch. 521, Sec. 12, eff. Sept. 1, 1997; Acts 2003, 78th Leg., ch. 1310, Sec. 67, eff. June 20, 2003.

SUBCHAPTER E. COMPETITIVE GRANT PROGRAMS

Sec. 2305.075. SMALL HOSPITALS ENERGY MANAGEMENT PROGRAM.

(a) The energy office is the supervising state agency for the small hospitals energy management program.

(b) The energy office shall use competitive grant money under the program to finance projects designed to assist small hospitals in controlling energy costs.

(c) Projects funded under this section may include:

(1) training for hospital personnel;

(2) technical assistance in establishing an energy management program;

(3) facility energy audits; and

(4) follow-up assistance in maintaining an energy management program.

Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993.