



March 12, 1999

ENGROSSED HOUSE BILL No. 1509

DIGEST OF HB 1509 (Updated March 9, 1999 1:10 pm - DI 75)

Citations Affected: IC 4-13.5; IC 4-13.6.

Synopsis: Various administrative matters. Provides that a certificate of qualification for a contractor or a person performing professional services on a state public works project expires 27 months after the date of issuance. (Under current law, a certificate expires 15 months after issuance.) Requires a person that holds a certificate of qualification to notify the certification board of any material changes in information supplied in the application submitted to the board. Provides that energy cost savings contracts entered into by the state are administered by the Indiana department of administration rather than state agencies that occupy the facilities that benefit from the contracts. Repeals superseded energy efficiency contract statutes.

Effective: July 1, 1999.

Hasler, Scholer, Sturtz, Lutz J

(SENATE SPONSORS — MEEKS R, WASHINGTON)

January 19, 1999, read first time and referred to Committee on Environmental Affairs.
January 28, 1999, reported — Do Pass.
February 1, 1999, read second time, ordered engrossed. Engrossed.
February 8, 1999, read third time, passed. Yeas 95, nays 3.

SENATE ACTION

February 22, 1999, read first time and referred to Committee on Commerce and Consumer Affairs.
March 11, 1999, amended, reported favorably — Do Pass.

EH 1509—LS 6883/DI 75+



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March 12, 1999

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

ENGROSSED HOUSE BILL No. 1509

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 4-13.5-1.5-10.5 IS ADDED TO THE INDIANA
- 2 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 3 [EFFECTIVE JULY 1, 1999]: **Sec. 10.5. As used in this chapter,**
- 4 **"energy cost savings contract" has the meaning set forth in**
- 5 **IC 4-13.6-8-2.**
- 6 SECTION 2. IC 4-13.5-1.5-10.6 IS ADDED TO THE INDIANA
- 7 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 8 [EFFECTIVE JULY 1, 1999]: **Sec. 10.6. As used in this chapter,**
- 9 **"governmental body" has the meaning set forth in IC 4-13.6-1-9.**
- 10 SECTION 3. IC 4-13.5-1.5-10.7 IS ADDED TO THE INDIANA
- 11 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 12 [EFFECTIVE JULY 1, 1999]: **Sec. 10.7. As used in this chapter,**
- 13 **"qualified energy savings project" has the meaning set forth in**
- 14 **IC 4-13.6-8-3.**
- 15 SECTION 4. IC 4-13.5-1.5-10.8 IS ADDED TO THE INDIANA

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1 CODE AS A NEW SECTION TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 1999]: **Sec. 10.8. As used in this chapter,**
 3 **"qualified provider" has the meaning set forth in IC 4-13.6-8-4.**

4 SECTION 5. IC 4-13.5-1.5-14 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 14. The amount of state
 6 appropriations available to a ~~state institution~~ **governmental body** may
 7 not be reduced because of energy cost savings and operational cost
 8 savings realized from a qualified energy savings project and an energy
 9 cost savings contract.

10 SECTION 6. IC 4-13.5-1.5-16 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 16. The general
 12 assembly:

13 (1) finds that ~~the state needs~~ **governmental bodies need** to save
 14 energy ~~at state institutions and reduce operating costs;~~ and

15 (2) authorizes the commission to enter into energy cost savings
 16 contracts with qualified providers under this article ~~and~~
 17 **IC 4-13.6-8.**

18 SECTION 7. IC 4-13.6-4-4 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. (a) If, after its
 20 examination, the board finds that an applicant possesses the
 21 qualifications prescribed by this chapter and by its rules, the board
 22 shall issue the applicant a certificate of qualification. A certificate of
 23 qualification issued under this chapter is valid for a period of ~~fifteen~~
 24 ~~(15)~~ **twenty-seven (27)** months from the date of its issuance, unless
 25 revoked by the board for cause.

26 (b) Except for restrictions as to the amount or class of work or
 27 services that the board may place in the certificate, the certificate of
 28 qualification authorizes a contractor to bid on all proposed public
 29 works contracts and authorizes a person offering to perform
 30 professional services to perform those services.

31 **(c) A person that holds a certificate of qualification shall notify**
 32 **the board of any material changes in information in the application**
 33 **submitted to the board.**

34 ~~(c)~~ **(d)** The board may revoke a certificate of qualification after it
 35 notifies the holder of the certificate and provides the holder with an
 36 opportunity to be heard on the proposed revocation. The notice must be
 37 in writing and must state the grounds of the proposed revocation.

38 SECTION 8. IC 4-13.6-8 IS ADDED TO THE INDIANA CODE
 39 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 1999]:

41 **Chapter 8. Energy Cost Savings Contracts**

42 **Sec. 1. As used in this chapter, "commission" refers to the state**

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1 office building commission established by IC 4-13.5-1-1.5.

2 Sec. 2. As used in this chapter, "energy cost savings contract"
3 means a contract between:

- 4 (1) the state or the commission; and
5 (2) a qualified provider;

6 for the implementation of at least one (1) qualified energy savings
7 project and related measures for a governmental body.

8 Sec. 3. As used in this chapter, "qualified energy savings
9 project" means a facility alteration designed to reduce energy
10 consumption costs or other operating costs. The term includes the
11 following:

- 12 (1) Providing insulation of the facility and systems within the
13 facility.
14 (2) Installing or providing for window and door systems,
15 including:
16 (A) storm windows and storm doors;
17 (B) caulking or weatherstripping;
18 (C) multi-glazed windows and doors;
19 (D) heat absorbing or heat reflective glazed and coated
20 windows and doors;
21 (E) additional glazing;
22 (F) reduction in glass area; and
23 (G) other modifications that reduce energy consumption.
24 (3) Installing automatic energy control systems.
25 (4) Modifying or replacing heating, ventilating, or air
26 conditioning systems.
27 (5) Unless an increase in illumination is necessary to conform
28 to Indiana laws or rules or local ordinances, modifying or
29 replacing lighting fixtures to increase the energy efficiency of
30 the lighting system without increasing the overall illumination
31 of a facility.
32 (6) Providing for other measures that reduce energy
33 consumption or reduce operating costs.

34 Sec. 4. As used in this chapter, "qualified provider" means a
35 person experienced in the design, implementation, and installation
36 of energy and operational cost savings systems.

37 Sec. 5. (a) At the request of a governmental body, the
38 department, in consultation with the governmental body, may do
39 the following:

- 40 (1) Solicit proposals from qualified providers for an energy
41 cost savings contract.
42 (2) Review proposals and contract with a qualified provider.



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1 (b) An energy cost savings contract may cover more than one (1)
2 governmental body.

3 Sec. 6. An energy cost savings contract may do any of the
4 following:

5 (1) Provide that energy cost savings are guaranteed by the
6 qualified provider to the extent necessary to make payments
7 for the qualified energy savings project.

8 (2) Include contracts for building operation programs,
9 maintenance, and management or similar agreements with
10 the qualified provider to reduce energy or operational costs.

11 Sec. 7. (a) After reviewing the proposals submitted and after
12 receiving a recommendation from the budget committee, the
13 department may approve an energy cost savings contract with a
14 qualified provider that best meets the needs of the governmental
15 body if the department reasonably expects the cost of the qualified
16 energy savings project recommended in the proposal would not
17 exceed the amount to be saved in:

18 (1) energy costs;

19 (2) operational costs; or

20 (3) both energy and operational costs;

21 not later than ten (10) years after the date installation is completed
22 if the recommendations in the proposal are followed.

23 (b) An energy cost savings contract must include a guarantee
24 from the qualified provider to the state that:

25 (1) energy cost savings;

26 (2) operational cost savings; or

27 (3) both energy and operational cost savings;

28 will meet or exceed the cost of the qualified energy project not later
29 than ten (10) years after the date installation is completed.

30 Sec. 8. (a) An agreement or a contract under this chapter is
31 subject to IC 5-16-7.

32 (b) The contractor and each subcontractor engaged in installing
33 energy conservation measures under a guaranteed energy savings
34 contract shall keep full and accurate records indicating the names,
35 classifications, and work performed by each worker employed by
36 the respective contractor and subcontractor in connection with the
37 work and an accurate record of the number of hours worked by
38 each worker and the actual wages paid.

39 (c) The payroll records required to be kept under this section
40 must be open to inspection by an authorized representative of the
41 department and the department of labor.

42 Sec. 9. The amount of state appropriations available to a

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1 governmental body may not be reduced because of energy cost
2 savings and operational cost savings realized from a qualified
3 energy savings project and an energy cost savings contract.
4 **Sec. 10. The department may recommend to the governor that**
5 **an energy cost savings contract be entered into by the state office**
6 **building commission under IC 4-13.5-1.5.**
7 SECTION 9. THE FOLLOWING ARE REPEALED [EFFECTIVE
8 JULY 1, 1999]: IC 4-13.5-1.5-1; IC 4-13.5-1.5-2; IC 4-13.5-1.5-3;
9 IC 4-13.5-1.5-4; IC 4-13.5-1.5-5; IC 4-13.5-1.5-6; IC 4-13.5-1.5-7;
10 IC 4-13.5-1.5-8; IC 4-13.5-1.5-9; IC 4-13.5-1.5-10.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Environmental Affairs, to which was referred House Bill 1509, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

STURTZ, Chair

Committee Vote: yeas 11, nays 0.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Commerce and Consumer Affairs, to which was referred House Bill No. 1509, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-13.5-1.5-10.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 1999]: **Sec. 10.5. As used in this chapter, "energy cost savings contract" has the meaning set forth in IC 4-13.6-8-2.**

SECTION 2. IC 4-13.5-1.5-10.6 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 1999]: **Sec. 10.6. As used in this chapter, "governmental body" has the meaning set forth in IC 4-13.6-1-9.**

SECTION 3. IC 4-13.5-1.5-10.7 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 1999]: **Sec. 10.7. As used in this chapter, "qualified energy savings project" has the meaning set forth in IC 4-13.6-8-3.**

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SECTION 6. IC 4-13.5-1.5-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 16. The general assembly:

- (1) finds that ~~the state needs~~ **governmental bodies need** to save energy at ~~state institutions~~ **and reduce operating costs**; and
- (2) authorizes the commission to enter into energy cost savings contracts with qualified providers under this article **and IC 4-13.6-8.**

Page 3, line 3, delete "or business".

Page 4, delete lines 17 through 42.

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Delete page 5.

Page 6, delete lines 1 through 22.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1509 as printed January 29, 1999.)

MILLS, Chairperson

Committee Vote: Yeas 8, Nays 0.

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