



February 20, 2015

HOUSE BILL No. 1565

DIGEST OF HB 1565 (Updated February 18, 2015 2:06 pm - DI 92)

Citations Affected: IC 4-13.

Synopsis: Energy savings audits. Allows the department of administration to assist state agencies in performing energy savings audits of state property. Allows a state agency to retain cost savings realized as a result of the audit in an amount not to exceed the cost of conducting the audit plus an additional amount not to exceed 10% of the cost of conducting the audit.

Effective: July 1, 2015.

**Moed, Karickhoff, VanNatter,
Errington**

January 20, 2015, read first time and referred to Committee on Government and Regulatory Reform.
February 19, 2015, amended, reported — Do Pass.

HB 1565—LS 6968/DI 107



February 20, 2015

First Regular Session of the 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1565

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 4-13-1-4, AS AMENDED BY P.L.182-2009(ss),
2 SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2015]: Sec. 4. **(a)** The department shall, subject to this
4 chapter, do the following:
5 (1) Execute and administer all appropriations as provided by law,
6 and execute and administer all provisions of law that impose
7 duties and functions upon the executive department of
8 government, including executive investigation of state agencies
9 supported by appropriations and the assembly of all required data
10 and information for the use of the executive department and the
11 legislative department.
12 (2) Supervise and regulate the making of contracts by state
13 agencies.
14 (3) Perform the property management functions required by
15 IC 4-20.5-6.

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- 1 (4) Assign office space and storage space for state agencies in the
 2 manner provided by IC 4-20.5-5.
- 3 (5) Maintain and operate the following for state agencies:
 4 (A) Central duplicating.
 5 (B) Printing.
 6 (C) Machine tabulating.
 7 (D) Mailing services.
 8 (E) Centrally available supplemental personnel and other
 9 essential supporting services.
- 10 The department may require state agencies to use these general
 11 services in the interests of economy and efficiency. The general
 12 services rotary fund is established through which these services
 13 may be rendered to state agencies. The budget agency shall
 14 determine the amount for the general services rotary fund.
- 15 (6) Control and supervise the acquisition, operation, maintenance,
 16 and replacement of state owned vehicles by all state agencies. The
 17 department may establish and operate, in the interest of economy
 18 and efficiency, a motor vehicle pool, and may finance the pool by
 19 a rotary fund. The budget agency shall determine the amount to
 20 be deposited in the rotary fund.
- 21 (7) Promulgate and enforce rules relative to the travel of officers
 22 and employees of all state agencies when engaged in the
 23 performance of state business. These rules may allow
 24 reimbursement for travel expenses by any of the following
 25 methods:
 26 (A) Per diem.
 27 (B) For expenses necessarily and actually incurred.
 28 (C) Any combination of the methods in clauses (A) and (B).
 29 The rules must require the approval of the travel by the
 30 commissioner and the head of the officer's or employee's
 31 department prior to payment.
- 32 (8) Administer IC 4-13.6.
- 33 (9) Prescribe the amount and form of certified checks, deposits,
 34 or bonds to be submitted in connection with bids and contracts
 35 when not otherwise provided for by law.
- 36 (10) Rent out, with the approval of the governor, any state
 37 property, real or personal:
 38 (A) not needed for public use; or
 39 (B) for the purpose of providing services to the state or
 40 employees of the state;
 41 the rental of which is not otherwise provided for or prohibited by
 42 law. Property may not be rented out under this subdivision for a



1 term exceeding ten (10) years at a time. However, if property is
 2 rented out for a term of more than four (4) years, the
 3 commissioner must make a written determination stating the
 4 reasons that it is in the best interests of the state to rent property
 5 for the longer term. This subdivision does not include the power
 6 to grant or issue permits or leases to explore for or take coal, sand,
 7 gravel, stone, gas, oil, or other minerals or substances from or
 8 under the bed of any of the navigable waters of the state or other
 9 lands owned by the state.

10 (11) Have charge of all central storerooms, supply rooms, and
 11 warehouses established and operated by the state and serving
 12 more than one (1) agency.

13 (12) Enter into contracts and issue orders for printing as provided
 14 by IC 4-13-4.1.

15 (13) Sell or dispose of surplus property under IC 5-22-22, or if
 16 advantageous, to exchange or trade in the surplus property toward
 17 the purchase of other supplies, materials, or equipment, and to
 18 make proper adjustments in the accounts and inventory pertaining
 19 to the state agencies concerned.

20 (14) With respect to power, heating, and lighting plants owned,
 21 operated, or maintained by any state agency:

22 (A) inspect;

23 (B) regulate their operation; and

24 (C) recommend improvements to those plants to promote
 25 economical and efficient operation.

26 (15) Administer, determine salaries, and determine other
 27 personnel matters of the department of correction ombudsman
 28 bureau established by IC 4-13-1.2-3.

29 (16) Adopt rules to establish and implement a "Code Adam"
 30 safety protocol as described in IC 4-20.5-6-9.2.

31 (17) Adopt policies and standards for making state owned
 32 property reasonably available to be used free of charge as
 33 locations for making motion pictures.

34 (18) Administer, determine salaries, and determine other
 35 personnel matters of the department of child services ombudsman
 36 established by IC 4-13-19-3.

37 **(b) The department may assist state agencies that elect to**
 38 **perform energy efficiency audits of state owned real property as**
 39 **described in section 27 of this chapter.**

40 SECTION 2. IC 4-13-1-27 IS ADDED TO THE INDIANA CODE
 41 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 42 1, 2015]: **Sec. 27. (a) The department may annually conduct energy**



1 efficiency audits of state owned real property that the department
2 considers to be the least energy efficient. The department may
3 annually determine which properties the department believes are
4 the least efficient and rank the properties. The department may
5 encourage audits of the properties in order based on the rankings.
6 However, any state agency may elect to conduct audits of the state
7 owned property housing the agency regardless of the ranking. A
8 state agency that realizes energy cost savings from improvements
9 or energy conservation measures implemented as a result of an
10 energy efficiency audit may retain the amount of savings realized
11 not to exceed the cost of the energy savings audit plus an additional
12 amount not to exceed ten percent (10%) of the cost of the energy
13 savings audit.

14 (b) The audits should consider a study of the following for each
15 property:

- 16 (1) The efficiency of equipment located at the real property.
- 17 (2) The use of energy for heating, ventilation, and air
18 conditioning.
- 19 (3) The use of energy for lighting.
- 20 (4) Maintenance procedures.
- 21 (5) The cost of alternate sources of energy for any energy
22 used.

23 (c) The audits should include:

- 24 (1) recommendations on ways to conserve energy;
- 25 (2) estimates on the time necessary for implementing any
26 recommended changes; and
- 27 (3) projected costs of any capital improvements necessary to
28 reduce energy use.

29 (d) Heating, ventilation, and air conditioning studies described
30 in subsection (b)(2) may include the inspection of thermal
31 insulation, including:

- 32 (1) pipes;
- 33 (2) ducts; and
- 34 (3) equipment;

35 to determine their completeness, dryness, and physical condition.

36 (e) A copy of the audits shall be:

- 37 (1) posted on the department's Internet web site; and
- 38 (2) submitted to the legislative council in an electronic format
39 under IC 5-14-6.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Government and Regulatory Reform, to which was referred House Bill 1565, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete AM156503 adopted by the Committee on February 16, 2015.

Page 1, line 3, after "4." insert "**(a)**".

Page 3, delete lines 37 through 38, begin a new paragraph and insert:

"(b) The department may assist state agencies that elect to perform energy efficiency audits of state owned real property as described in section 27 of this chapter."

Page 3, line 41, delete "shall" and insert "**may**".

Page 4, line 1, delete "shall" and insert "**may**".

Page 4, line 3, delete "shall" and insert "**may encourage**".

Page 4, line 4, delete "audit" and insert "**audits of**".

Page 4, line 4, after "rankings." insert "**However, any state agency may elect to conduct audits of the state owned property housing the agency regardless of the ranking. A state agency that realizes energy cost savings from improvements or energy conservation measures implemented as a result of an energy efficiency audit may retain the amount of savings realized not to exceed the cost of the energy savings audit plus an additional amount not to exceed ten percent (10%) of the cost of the energy savings audit.**"

Page 4, line 5, delete "must include" and insert "**should consider**".

Page 4, line 14, delete "must" and insert "**should**".

Page 4, line 21, delete "must" and insert "**may**".

and when so amended that said bill do pass.

(Reference is to HB 1565 as introduced.)

MAHAN

Committee Vote: yeas 8, nays 0.

