

# HOUSE BILL No. 4318

March 1, 1989, Introduced by Reps. Stallworth, Gubow, Hoffman, Stopczynski, DeMars, Varga, Wallace, Emerson, Willis Bullard, Martin, Saunders and Krause and referred to the Committee on Public Utilities.

A bill to amend section 36 of chapter VIII of Act No. 3 of the Public Acts of 1895, entitled as amended

"An act to provide for the incorporation of villages; to define their powers and duties; to provide for the levy and collection of taxes, borrowing of money, and issuance of bonds and other evidences of indebtedness by villages; to define the powers and duties of the municipal finance commission or its successor agency and of the department of treasury with regard thereto; to define the application of this act and provide for its amendment by villages subject thereto; and to validate prior amendments and certain prior actions taken and bonds issued by villages,"

as added by Act No. 402 of the Public Acts of 1984, being section 68.36 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Section 36 of chapter VIII of Act No. 3 of the  
2 Public Acts of 1895, as added by Act No. 402 of the Public Acts  
3 of 1984, being section 68.36 of the Michigan Compiled Laws, is  
4 amended to read as follows:

## CHAPTER VIII

1  
2       Sec. 36. (1) The council of a village may provide by reso-  
3 lution for energy conservation improvements to be made to village  
4 facilities and may pay for the improvements from operating funds  
5 of the village or from the savings ~~which~~ THAT result from the  
6 energy conservation improvements. Energy conservation improve-  
7 ments may include, but are not limited to, heating system  
8 improvements, fenestration improvements, roof improvements, the  
9 installation of any insulation, the installation or repair of  
10 heating or air conditioning controls, and entrance or exit way  
11 closures.

12       (2) The council of a village may acquire 1 or more of the  
13 energy conservation improvements described in subsection (1) by  
14 installment contract or may borrow money and issue notes for the  
15 purpose of securing funds for the improvements or may enter into  
16 contracts in which the cost of the energy conservation improve-  
17 ments is paid from a portion of the savings ~~which~~ THAT result  
18 from the energy conservation improvements. These contractual  
19 agreements may provide that the cost of the energy conservation  
20 improvements are paid only if the energy savings are sufficient  
21 to cover their cost. An installment contract or notes issued  
22 pursuant to this subsection shall extend for a period of time not  
23 to exceed 10 years. Notes issued pursuant to this subsection  
24 shall be full faith and credit, tax limited obligations of the  
25 village, payable from tax levies and the general fund as pledged  
26 by the council of the village. The notes shall be subject to the  
27 municipal finance act, Act No. 202 of the Public Acts of 1943,

1 being sections 131.1 to 139.3 of the Michigan Compiled Laws. The  
2 notes shall bear interest at a rate determined by the council of  
3 the village, not to exceed the rate provided in section 1a of  
4 chapter III of the municipal finance act, Act No. 202 of the  
5 Public Acts of 1943, being section 133.1a of the Michigan  
6 Compiled Laws. This subsection does not limit in any manner the  
7 borrowing or bonding authority of a village as provided by law.

8 (3) If energy conservation improvements are made as provided  
9 in this section, the village council shall report the following  
10 information to the ~~energy administration of the department of~~  
11 ~~commerce~~ MICHIGAN PUBLIC SERVICE COMMISSION within 60 days of  
12 the completion of the improvements:

13 (a) Name of each facility to which an improvement is made  
14 and a description of the conservation improvement.

15 (b) Actual energy consumption during the 12-month period  
16 before completion of the improvement.

17 (c) Project costs and expenditures.

18 (d) Estimated annual energy savings.

19 (4) If energy conservation improvements are made as provided  
20 in this section, the village council shall report to the ~~energy~~  
21 ~~administration of the department of commerce~~ MICHIGAN PUBLIC  
22 SERVICE COMMISSION, by July 1 of each of the 5 years after the  
23 improvements are completed, only the actual annual energy con-  
24 sumption of each facility to which improvements are made. The  
25 forms for the reports required by this section shall be furnished  
26 by the ~~energy administration~~ MICHIGAN PUBLIC SERVICE  
27 COMMISSION.