

# HOUSE BILL No. 4319

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

A bill to amend section 24b of Act No. 278 of the Public Acts of 1909, entitled as amended

"An act to provide for the incorporation of villages and for revising and amending their charters; to provide for the levy and collection of taxes, borrowing of money, and issuance of bonds and other evidences of indebtedness; and to validate bonds issued and obligations previously incurred,"

as added by Act No. 404 of the Public Acts of 1984, being section 78.24b of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 24b of Act No. 278 of the Public Acts of  
2 1909, as added by Act No. 404 of the Public Acts of 1984, being  
3 section 78.24b of the Michigan Compiled Laws, is amended to read  
4 as follows:

5 Sec. 24b. (1) The governing body of a village may provide  
6 by resolution for energy conservation improvements to be made to  
7 village facilities and may pay for the improvements from

1 operating funds of the village or from the savings ~~which~~ THAT  
2 result from the energy conservation improvements. Energy conser-  
3 vation improvements may include, but are not limited to, heating  
4 system improvements, fenestration improvements, roof improve-  
5 ments, the installation of any insulation, the installation or  
6 repair of heating or air conditioning controls, and entrance or  
7 exit way closures.

8       (2) The governing body of a village may acquire 1 or more of  
9 the energy conservation improvements described in subsection (1)  
10 by installment contract or may borrow money and issue notes for  
11 the purpose of securing funds for the improvements or may enter  
12 into contracts in which the cost of the energy conservation  
13 improvements is paid from a portion of the savings ~~which~~ THAT  
14 result from the energy conservation improvements. These contrac-  
15 tual agreements may provide that the cost of the energy conserva-  
16 tion improvements are paid only if the energy savings are suffi-  
17 cient to cover their cost. An installment contract or notes  
18 issued pursuant to this subsection shall extend for a period of  
19 time not to exceed 10 years. Notes issued pursuant to this sub-  
20 section shall be full faith and credit, tax limited obligations  
21 of the village, payable from tax levies and the general fund as  
22 pledged by the governing body of the village. The notes shall be  
23 subject to the municipal finance act, Act No. 202 of the Public  
24 Acts of 1943, being sections 131.1 to 139.3 of the Michigan  
25 Compiled Laws. The notes shall bear interest at a rate deter-  
26 mined by the governing body of the village, not to exceed the  
27 rate provided in section 1a of chapter III of the municipal

1 finance act, Act No. 202 of the Public Acts of 1943, being  
2 section 133.1a of the Michigan Compiled Laws. This subsection  
3 does not limit in any manner the borrowing or bonding authority  
4 of a village as provided by law.

5 (3) If energy conservation improvements are made as provided  
6 in this section, the governing body of a village shall report the  
7 following information to the ~~energy administration of the~~  
8 ~~department of commerce~~ MICHIGAN PUBLIC SERVICE COMMISSION within  
9 60 days of the completion of the improvements:

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

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

14 (c) Project costs and expenditures.

15 (d) Estimated annual energy savings.

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