



**House
Legislative
Analysis
Section**

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STATE FACILITIES; ENERGY EFFICIENCY

**House Bill 4763 with committee amendments
First Analysis (6-18-87)**

**Sponsor: Rep. Thomas Hickner
Committee: Appropriations**

THE APPARENT PROBLEM:

The Management and Budget Act of 1984 prescribes the powers and duties of the Department and Budget. The act specifies that the department may grant easements for constructing, operating, and maintaining utility lines on state owned land that is not under the jurisdiction of the Department of Natural Resources, the Department of Military Affairs, or the State Transportation Department. The act contains no authorization for the department to grant easements for highway and road purposes.

The act also does not provide authorization for state agencies, through the Department of Management and Budget, to enter into contracts for energy conservation improvements to state facilities.

THE CONTENT OF THE BILL:

The bill would amend the Management and Budget Act to authorize the Department of Management and Budget to grant easements for highway and road purposes, and to provide the authority for various state agencies, through the Department of Management and Budget, to enter into multi-year contracts for energy conservation improvements to state facilities. The state agency would be required to request a certificate of energy cost savings from the Public Service Commission. This certificate would be based on actual energy use and cost data, provided to the commission by the state agency. At the close of each fiscal year, the amount of any unencumbered balance of a state appropriation for fuel or utilities to the state agency, which was a result of energy management actions as certified by the Public Service Commission, would be distributed as follows: 75 percent would be carried forward to the next fiscal year and allocated to a special energy conservation work order or work project account, to be used for energy conservation measures in the facilities for which the certificate was issued; the rest would lapse to the fund from which the appropriation was issued.

MCL 18.1113 et al

FISCAL IMPLICATIONS:

The House Fiscal Agency reports that the bill merely gives authority to expend funds previously appropriated.
(6-16-87)

ARGUMENTS:

For:

Measures to utilize energy savings measures are urgently needed to offset the impact of rising energy costs. The bill would allow state agencies to expend up to 75 percent of energy cost savings for energy conservation measures, thus creating an ongoing energy savings program.

For:

Experience has shown that, when a state agency decides to sell land, ownership of the highway and road easements on the land makes the land more valuable.

POSITIONS:

The Department of Management and Budget supports the bill. (6-17-87)

H.B. 4763 (6-18-87)