

HOUSE BILL No. 6045

November 28, 2012, Introduced by Rep. Ananich and referred to the Committee on Energy and Technology.

A bill to amend 2008 PA 295, entitled "Clean, renewable, and efficient energy act," (MCL 460.1001 to 460.1195) by adding section 135.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 135. (1) AS USED IN THIS SECTION:
2 (A) "FUND" MEANS THE WEATHERIZATION, HEATING, AND ENERGY
3 EFFICIENCY LOANS FOR SCHOOLS FUND CREATED IN SUBSECTION (2).
4 (B) "SCHOOL DISTRICT" MEANS ANY OF THE FOLLOWING:
5 (i) A SCHOOL DISTRICT AS DEFINED IN SECTION 6 OF THE REVISED
6 SCHOOL CODE, 1976 PA 451, MCL 380.6.
7 (ii) AN INTERMEDIATE SCHOOL DISTRICT AS DEFINED IN SECTION 4 OF
8 THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.4.

1 (iii) A PUBLIC SCHOOL ACADEMY AS DEFINED IN SECTION 5 OF THE
2 REVISED SCHOOL CODE, 1976 PA 451, MCL 380.5.

3 (2) THE WEATHERIZATION, HEATING, AND ENERGY EFFICIENCY LOANS
4 FOR SCHOOLS FUND IS CREATED WITHIN THE STATE TREASURY. THE STATE
5 TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM ANY SOURCE FOR
6 DEPOSIT INTO THE FUND. THE STATE TREASURER SHALL DIRECT THE
7 INVESTMENT OF THE FUND. SUBJECT TO APPROVAL BY THE DIRECTOR OF THE
8 DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS, A LOCAL UNIT OF
9 GOVERNMENT, PUBLIC UTILITY, OR OTHER LEGALLY ORGANIZED ENTITY MAY
10 PROVIDE MONEY FOR DEPOSIT IN THE FUND WITH A RESTRICTION LIMITING
11 THE CONTRIBUTION FOR USE WITHIN A LIMITED GEOGRAPHICAL AREA OF THIS
12 STATE. THE STATE TREASURER SHALL CREDIT TO THE FUND INTEREST AND
13 EARNINGS FROM FUND INVESTMENTS. MONEY IN THE FUND AT THE CLOSE OF
14 THE FISCAL YEAR SHALL REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE
15 GENERAL FUND. THE DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
16 SHALL BE THE ADMINISTRATOR OF THE FUND FOR AUDITING PURPOSES.

17 (3) THE DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS SHALL
18 EXPEND MONEY FROM THE FUND, UPON APPROPRIATION, ONLY FOR THE
19 FOLLOWING PROJECTS:

20 (A) WEATHERIZING, UPGRADING, AND RETROFITTING OF PUBLIC
21 ELEMENTARY AND SECONDARY SCHOOLS TO IMPROVE ENERGY EFFICIENCY,
22 DECREASE FUEL COSTS, INCREASE USE OF ALTERNATIVE FUELS, OR DECREASE
23 EMISSIONS OF AIR POLLUTANTS.

24 (B) RETROFITTING PUBLIC SCHOOL BUSES TO OPERATE ON COMPRESSED
25 NATURAL GAS OR OTHER ALTERNATIVE FUELS OR TO OPERATE WITH HIGH-
26 EFFICIENCY TYPES OF ENGINES SUCH AS HYBRID ELECTRIC ENGINES.

27 (C) REPLACING PUBLIC SCHOOL BUSES WITH SCHOOL BUSES THAT

1 OPERATE ON COMPRESSED NATURAL GAS OR OTHER ALTERNATIVE FUELS OR
2 THAT OPERATE WITH HIGH-EFFICIENCY ENGINES SUCH AS HYBRID ELECTRIC
3 ENGINES.

4 (D) REDUCING THE LOAN REPAYMENT BURDEN OF A SCHOOL DISTRICT
5 WITH AN OUTSTANDING LOAN ON THE EFFECTIVE DATE OF THIS SECTION THAT
6 WAS OBTAINED FOR 1 OR MORE OF THE PURPOSES DESCRIBED IN
7 SUBDIVISIONS (A) THROUGH (C).

8 (E) REDUCING THE LOAN REPAYMENT BURDEN OF A SCHOOL DISTRICT
9 FINANCING A PROJECT USING THE FUND.

10 (F) CREATING FINANCIAL INCENTIVES FOR SCHOOL DISTRICTS TO
11 UNDERTAKE ENERGY EFFICIENCY, RENEWABLE ENERGY, AND ENERGY
12 CONSERVATION PROJECTS THAT MAY NOT RESULT IN SIGNIFICANT ENERGY
13 COST SAVINGS.

14 (G) PAYING THE ADDITIONAL ADMINISTRATIVE EXPENSES INCURRED BY
15 THE STATE TREASURER, THE DEPARTMENT OF LICENSING AND REGULATORY
16 AFFAIRS, THE DEPARTMENT OF EDUCATION, OR ANOTHER STATE AGENCY AS A
17 RESULT OF DIRECTING THE FUND.

18 (4) EXPENDITURES FROM THE FUND FOR THE PURPOSES OF SUBSECTION
19 (3) (A) TO (C) SHALL BE IN THE FORM OF GRANTS OR LOANS. A LOAN SHALL
20 BE REPAID IN AMOUNTS THAT ANNUALLY DO NOT EXCEED THE ANNUAL ENERGY
21 OR OTHER COST SAVINGS REALIZED BY A SCHOOL DISTRICT AS A RESULT OF
22 THE PROJECT FINANCED BY THE LOAN.

23 (5) BY JUNE 1, 2013, THE DIRECTOR OF THE DEPARTMENT OF
24 LICENSING AND REGULATORY AFFAIRS SHALL DEVELOP AN APPLICATION
25 PROCESS FOR SCHOOL DISTRICTS TO FOLLOW WHEN REQUESTING FINANCING
26 FROM THE FUND, INCLUDING APPLICATION FORMS AND THE SUBMISSION OF A
27 PLAN TO MONITOR AND VERIFY ENERGY COST SAVINGS RESULTING FROM THE

1 PROJECT.

2 (6) THE DIRECTOR OF THE DEPARTMENT OF LICENSING AND REGULATORY
3 AFFAIRS SHALL MAKE A DECISION ON AN APPLICATION AFTER CONSIDERING
4 AT LEAST ALL OF THE FOLLOWING FACTORS:

5 (A) THE COMPREHENSIVENESS OF THE PROJECT AND WHETHER IT IS
6 DESIGNED TO ATTAIN COMPLIANCE WITH STANDARDS SET IN STATE FIRE OR
7 SAFETY CODES.

8 (B) THE USE OF MATCHING FUNDS FROM OTHER GOVERNMENTAL OR
9 PRIVATE SOURCES.

10 (C) THE NEED FOR THE PROJECT, INCLUDING THE NEED OF THE
11 APPLICANT TO REDUCE ENERGY COSTS.

12 (D) THE COST SAVINGS EXPECTED TO BE REALIZED AS A RESULT OF
13 THE PROPOSED PROJECT.

14 (E) THE APPLICANT'S PLAN TO MONITOR AND VERIFY ENERGY COST
15 SAVINGS FROM THE PROJECT.

16 (F) THE EXPECTED REPAYMENT PERIOD OF ANY FINANCING REQUIRED
17 FOR A PROJECT.

18 (G) THE SOLVENCY OF THE APPLICANT AND, IF THE APPLICANT HAS
19 APPLIED FOR A LOAN FROM THE FUND, THE APPLICANT'S ABILITY TO REPAY
20 THE LOAN.

21 (H) THE APPLICANT'S PREVIOUS SUCCESS COMPLETING PROJECTS
22 FINANCED BY THE FUND AND REPAYING LOANS MADE UNDER THE FUND.

23 (I) THE NUMBER AND DURATION OF NEW JOBS LIKELY TO BE CREATED
24 AS A RESULT OF THE PROJECT.

25 (J) WHETHER MONEY SUBJECT TO GEOGRAPHICAL USE RESTRICTIONS
26 UNDER SUBSECTION (2) IS AVAILABLE FROM THE FUND FOR THE PROJECT.

27 (7) BY DECEMBER 1, 2013 AND EACH YEAR THEREAFTER, THE DIRECTOR

1 OF THE DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS SHALL SUBMIT
2 TO THE LEGISLATURE A REPORT ON ALL OF THE FOLLOWING:

3 (A) FOR EACH PROJECT FINANCED WITH AN EXPENDITURE FROM THE
4 FUND IN THE PRIOR STATE FISCAL YEAR, A DESCRIPTION OF THE PROJECT,
5 THE AMOUNT EXPENDED, AND THE RECIPIENT OF THE EXPENDITURES.

6 (B) THE TOTAL AMOUNT EXPENDED FROM THE FUND IN THE PRIOR STATE
7 FISCAL YEAR AND SINCE THE CREATION OF THE FUND.

8 (C) FOR EACH PROJECT FINANCED WITH A LOAN FROM THE FUND BEFORE
9 THE PRIOR STATE FISCAL YEAR AND FOR WHICH THE LOAN HAS NOT YET BEEN
10 FULLY REPAYED, A DESCRIPTION OF THE PROJECT, THE AMOUNT DUE ON THE
11 LOAN, AND THE RECIPIENT OF THE LOAN.

12 (8) NOTWITHSTANDING SECTION 191, PURSUANT TO THE
13 ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO
14 24.328, THE DIRECTOR OF THE DEPARTMENT OF LICENSING AND REGULATORY
15 AFFAIRS SHALL PROMULGATE RULES TO IMPLEMENT THIS SECTION.