

SUBSTITUTE FOR
HOUSE BILL NO. 4994

A bill to amend 1851 PA 156, entitled

"An act to define the powers and duties of the county boards of commissioners of the several counties, and to confer upon them certain local, administrative and legislative powers; and to prescribe penalties for the violation of the provisions of this act,"

by amending section 11c (MCL 46.11c), as amended by 2002 PA 275.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11c. (1) A county board of commissioners may provide by
2 resolution for **THE ACQUISITION OR FINANCING OF** energy conservation
3 improvements to be made to county facilities **OR INFRASTRUCTURE** and
4 may pay for the improvements **OR THE FINANCING OR REFUNDING OF THE**
5 **IMPROVEMENTS** from the general fund of the county or from the
6 savings that result from the energy conservation improvements.
7 Energy conservation improvements may include, but are not limited
8 to, heating, **VENTILATING, OR AIR-CONDITIONING** system improvements,

1 fenestration improvements, roof improvements, the installation of
2 any insulation, the installation or repair of heating, **VENTILATING,**
3 or ~~air conditioning~~ **AIR-CONDITIONING** controls, ~~and~~ entrance or exit
4 way closures, **INFORMATION TECHNOLOGY IMPROVEMENTS ASSOCIATED WITH**
5 **AN ENERGY CONSERVATION IMPROVEMENT, AND MUNICIPAL UTILITY**
6 **IMPROVEMENTS ASSOCIATED WITH AN ENERGY CONSERVATION IMPROVEMENT.**

7 (2) The county board of commissioners of a county may acquire,
8 **FINANCE, OR REFUND** 1 or more of the energy conservation
9 improvements described in subsection (1) by installment contract,
10 **WHICH MAY INCLUDE A LEASE-PURCHASE AGREEMENT DESCRIBED IN**
11 **SUBSECTION (5),** or may borrow money and issue notes for the purpose
12 of securing funds for the improvements or may enter into contracts
13 in which the cost of the energy conservation improvements is paid
14 from a portion of the savings that result from the energy
15 conservation improvements. These contractual agreements may provide
16 that the cost of the energy conservation improvements are paid only
17 if the energy savings are sufficient to cover their cost. An
18 installment contract, **A LEASE-PURCHASE AGREEMENT DESCRIBED IN**
19 **SUBSECTION (5),** or notes issued pursuant to this subsection shall
20 extend for a period of time not to exceed ~~10~~ **20 years FROM THE DATE**
21 **OF INSTALLATION OF THE ENERGY CONSERVATION IMPROVEMENT.** Notes
22 issued pursuant to this subsection shall be full faith and credit,
23 tax limited obligations of the county, payable from tax levies and
24 the general fund as pledged by the county board of commissioners of
25 the county. The notes are subject to the revised municipal finance
26 act, 2001 PA 34, MCL 141.2101 to 141.2821. **A LEASE-PURCHASE**
27 **AGREEMENT ISSUED PURSUANT TO THIS SUBSECTION SHALL NOT BE SUBJECT**

1 TO THE REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO
2 141.2821, AND SHALL NOT BE A MUNICIPAL SECURITY OR A DEBT AS THOSE
3 TERMS ARE DEFINED IN THAT ACT. This subsection does not limit in
4 any manner the borrowing or bonding authority of a county as
5 provided by law.

6 (3) If energy conservation improvements are made as provided
7 in this section, the county board of commissioners shall report the
8 following information to the department of treasury within 60 days
9 of the completion of the improvements:

10 (a) Name of each facility to which an improvement is made and
11 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 county board of commissioners shall report to
18 the department of treasury, by July 1 of each of the 5 years after
19 the improvements are completed, only the actual annual energy
20 consumption of each facility to which improvements are made. The
21 forms for the reports required by this section shall be furnished
22 by the department of treasury.

23 (5) AN INSTALLMENT CONTRACT DESCRIBED IN THIS SECTION MAY
24 INCLUDE A LEASE-PURCHASE AGREEMENT, WHICH MAY BE A MULTIYEAR
25 CONTRACTUAL OBLIGATION THAT PROVIDES FOR AUTOMATIC RENEWAL UNLESS
26 POSITIVE ACTION IS TAKEN BY THE LEGISLATIVE BODY TO TERMINATE THAT
27 CONTRACT. PAYMENTS UNDER A LEASE-PURCHASE AGREEMENT SHALL BE A

1 CURRENT OPERATING EXPENSE SUBJECT TO ANNUAL APPROPRIATIONS OF FUNDS
2 BY THE LEGISLATIVE BODY AND SHALL OBLIGATE THE LEGISLATIVE BODY
3 ONLY FOR THOSE SUMS PAYABLE DURING THE FISCAL YEAR OF CONTRACT
4 EXECUTION OR ANY RENEWAL YEAR THEREAFTER. THE LEGISLATIVE BODY MAY
5 MAKE PAYMENTS UNDER A LEASE-PURCHASE AGREEMENT FROM ANY LEGALLY
6 AVAILABLE FUNDS OR FROM A COMBINATION OF ENERGY OR OPERATIONAL
7 SAVINGS, CAPITAL CONTRIBUTIONS, FUTURE REPLACEMENT COSTS AVOIDED,
8 OR BILLABLE REVENUE ENHANCEMENTS THAT RESULT FROM ENERGY
9 CONSERVATION IMPROVEMENTS, PROVIDED THAT THE LEGISLATIVE BODY HAS
10 DETERMINED THAT THOSE FUNDS ARE SUFFICIENT TO COVER, IN AGGREGATE
11 OVER THE FULL TERM OF THE CONTRACTUAL AGREEMENT, THE COST OF THE
12 ENERGY CONSERVATION IMPROVEMENTS. THE LEASE-PURCHASE AGREEMENT WILL
13 TERMINATE IMMEDIATELY AND ABSOLUTELY AND WITHOUT FURTHER OBLIGATION
14 ON THE PART OF THE LEGISLATIVE BODY AT THE CLOSE OF THE FISCAL YEAR
15 IN WHICH IT WAS EXECUTED OR RENEWED OR AT SUCH TIME AS APPROPRIATED
16 AND OTHERWISE UNOBLIGATED FUNDS ARE NO LONGER AVAILABLE TO SATISFY
17 THE OBLIGATIONS OF THE LEGISLATIVE BODY UNDER THE LEASE-PURCHASE
18 AGREEMENT. DURING THE TERM OF THE LEASE-PURCHASE AGREEMENT, THE
19 LEGISLATIVE BODY SHALL BE THE VESTED OWNER OF THE ENERGY
20 CONSERVATION IMPROVEMENTS AND MAY GRANT A SECURITY INTEREST IN THE
21 ENERGY CONSERVATION IMPROVEMENTS TO THE PROVIDER OF THE LEASE-
22 PURCHASE AGREEMENT. UPON THE TERMINATION OF THE LEASE-PURCHASE
23 AGREEMENT AND THE SATISFACTION OF THE OBLIGATIONS OF THE
24 LEGISLATIVE BODY, THE PROVIDER OF THE LEASE-PURCHASE AGREEMENT
25 SHALL RELEASE ITS SECURITY INTEREST IN THE ENERGY CONSERVATION
26 IMPROVEMENTS.

27 Enacting section 1. This amendatory act takes effect 90 days

1 after the date it is enacted into law.