

# HOUSE BILL NO. 5761

February 17, 2022, Introduced by Reps. Tisdell, Markkanen, Bellino, Martin, Roth, Outman, Brabec and Rabhi and referred to the Committee on Energy.

A bill to amend 2010 PA 270, entitled  
"Property assessed clean energy act,"  
by amending section 15 (MCL 460.945).

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1           Sec. 15. (1) ~~A~~**Subject to subsection (8)**, a local unit of  
2 government may issue bonds or notes to finance energy projects  
3 under a property assessed clean energy program.

4           (2) Bonds or notes issued under subsection (1) ~~shall~~**must** not  
5 be general obligations of the local unit of government, but ~~shall~~  
6 **must** be secured by 1 or more of the following as provided by the

1 governing body in the resolution or ordinance approving the bonds  
2 or notes:

3 (a) Payments of assessments on benefited property within the  
4 district or districts specified.

5 (b) Reserves established by the local unit of government from  
6 grants, bond or note proceeds, or other lawfully available funds.

7 (c) Municipal bond insurance, lines or letters of credit,  
8 public or private guaranties, standby bond purchase agreements,  
9 collateral assignments, mortgages, and any other available means of  
10 providing credit support or liquidity, including, but not limited  
11 to, arrangements described in section 315 of the revised municipal  
12 finance act, 2001 PA 34, MCL 141.2315.

13 (d) Tax increment revenues that may be lawfully available for  
14 ~~such purposes.~~ **that purpose.**

15 (e) Any other amounts lawfully available for ~~such~~  
16 ~~purposes.~~ **that purpose.**

17 (3) A pledge of assessments, funds, or contractual rights made  
18 by a governing body in connection with the issuance of bonds or  
19 notes by a local unit of government under this act constitutes a  
20 statutory lien on the assessments, funds, or contractual rights so  
21 pledged in favor of the person or persons to whom the pledge is  
22 given, without further action by the governing body. The statutory  
23 lien is valid and binding against all other persons, with or  
24 without notice.

25 (4) Bonds or notes of 1 series issued under this act may be  
26 secured on a parity with bonds or notes of another series issued by  
27 the local unit of government pursuant to the terms of a master  
28 indenture or master resolution entered into or adopted by the  
29 governing body of the local unit of government.

1 (5) Bonds or notes issued under this act are subject to the  
2 revised municipal finance act, 2001 PA 34, MCL 141.2101 to  
3 141.2821.

4 (6) Bonds or notes issued under this act, and interest payable  
5 on ~~such~~**the** bonds and notes, are exempt from all taxation by this  
6 state and its political subdivisions.

7 (7) Bonds or notes issued under this act further essential  
8 public and governmental purposes, including, but not limited to,  
9 reduced energy costs, reduced greenhouse gas emissions, economic  
10 stimulation and development, improved property valuation, and  
11 increased employment.

12 **(8) A local unit of government shall not issue bonds or notes**  
13 **under this section after the effective date of the amendatory act**  
14 **that added this subsection.**

15 Enacting section 1. This amendatory act does not take effect  
16 unless all of the following bills of the 101st Legislature are  
17 enacted into law:

18 (a) House Bill No. 5011.

19 (b) House Bill No. 5012.