

# SENATE BILL No. 482

May 14, 2003, Introduced by Senators KUIPERS and ALLEN and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending section 1274a (MCL 380.1274a), as amended by 1990 PA  
227.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1274a. (1) The board of a school district,  
2 intermediate school district, or local act school district may  
3 ~~provide~~ **contract with a qualified provider** for energy  
4 conservation improvements ~~to be made~~ to school facilities. ~~and~~  
5 ~~may pay for the improvements~~ **These improvements may be paid** from  
6 operating funds of the school district or from the proceeds of  
7 bonds or notes issued for energy conservation improvements, or  
8 **the board or intermediate school board** may enter into contracts  
9 in which the cost of the energy conservation improvements is paid  
10 from a portion of the savings ~~which~~ **that** result from the

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improvements. These contractual agreements may provide that the

Costs of improvements will be paid only if the energy savings are

sufficient to cover them. Energy conservation improvements may

include, but are not limited to, ~~<<heating system improvements,~~

~~fenestration improvements, roof improvements, the installation of~~

~~any insulation, the installation or repair of heating or air~~

~~conditioning controls, and entrance or exit way closures~~ building

envelope improvements; heating and cooling upgrades; lighting retrofits;

installing or upgrading an energy management system; motor, pump, or fan

replacements; domestic water use reductions; and upgrading other energy

consuming equipment or appliances>>. As

used in this subsection, "qualified provider" means an individual

or a business entity that is experienced in performing design,

analysis, and installation of energy conservation improvements

and facility ~~<<energy>>~~ management measures and that will provide these

services under the contract ~~<<with a guarantee or on a performance~~

~~basis>>~~.

~~<<(2) A school board or intermediate school board that contracts for~~

~~energy conservation improvements under subsection (1) may require the~~

~~qualified provider to furnish a bond that guarantees energy cost savings~~

~~for a specified period of time.>>~~

~~<<(3) (2)>>~~ The board of a school district, intermediate school

district, or local act school district may provide for the

removal or treatment of asbestos or other material injurious to

health for school facilities and may pay for the improvements

from operating funds of the school district or from the proceeds

of bonds or notes issued for ~~such~~ that purpose.

~~<<(4) (3)>>~~ Issuance of bonds for the purposes authorized by this

section shall be considered as issued for capital expenditures

for all purposes including section 16 of article IX of the state

Constitution of 1963.

~~<<(5) (4)>>~~ Energy conservation improvements or substance removal or

treatment authorized by this section ~~shall be~~ is subject to the

Competitive bidding requirements of section 1267.

~~<<(6) (5)>>~~ If energy conservation improvements are made by a school

district, local act school district, or ~~an~~ intermediate school

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1 district as provided in this section, the school board ~~of the~~  
2 ~~school district or an~~ or intermediate school ~~district~~ board  
3 Shall report the following information to the ~~Michigan public~~  
4 ~~service commission~~ **state treasurer** within 60 days after the  
5 completion of the improvements:

6 (a) Name of each facility to which an improvement was made  
7 and a description of the conservation improvements.

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

10 (c) Project costs and expenditures.

11 (d) Estimated annual energy savings.

12 ~~<<(7) (6)>>~~ If energy conservation improvements are made as provided  
13 in this section, the school board ~~of the school district or an~~  
14 ~~or~~ intermediate school ~~district~~ board shall report to the  
15 ~~Michigan public service commission~~ **state treasurer** by July 1 of  
16 each of the 5 years after the improvements are completed the  
17 actual annual energy consumption of each facility to which  
18 Improvements were made. The forms for the reports required by  
19 this section shall be furnished by the ~~Michigan public service~~  
20 ~~commission~~ **state treasurer**.