

# HOUSE BILL No. 5000

May 26, 2009, Introduced by Reps. Terry Brown, Espinoza, Polidori, Constan, Mayes, Bauer, Sheltrown and Dean and referred to the Committee on Energy and Technology.

A bill to provide a right of cancellation in wind leases.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1. As used in this act:

2       (a) "Lessee" means a lessee under a wind lease and the owner  
3 of unleased land having the right to develop the land for wind  
4 energy.

5       (b) "Lessor" means the person who, pursuant to a wind lease,  
6 has the right to harness wind energy and to receive and  
7 distribute the value of the electricity production from the field  
8 for himself or herself either individually or in combination with  
9 others.

10       (c) "Wind energy system" means an integrated unit consisting  
11 of a wind turbine composed of a rotor, an electrical generator, a  
12 control system, an inverter or other power conditioning unit, and

1 a tower, which uses moving air to produce power. Wind energy  
2 system does not include wiring to connect the wind energy system  
3 to the grid.

4 (d) "Wind lease" means a lease under which an owner of real  
5 property grants to the lessor the right to construct or operate a  
6 wind energy system on the real property.

7 Sec. 2. (1) In addition to any other right to cancel a wind  
8 lease, a lessee has the right to cancel a wind lease until 12  
9 midnight of the fourteenth business day after the day on which  
10 the lessee enters into the wind lease.

11 (2) Cancellation occurs when the lessee mails or delivers  
12 the notice of cancellation provided for in section 3(2), or any  
13 other written notice, to the lessor at the address stated in the  
14 notice of cancellation. A notice of cancellation or other written  
15 notice, if mailed to the lessor, is given when it is deposited in  
16 a mailbox properly addressed and postage prepaid.

17 (3) A written notice given by the lessee other than the  
18 notice of cancellation need not take a particular form and is  
19 sufficient if it indicates by any form of written expression the  
20 intention of the lessee not to be bound by the wind lease.

21 Sec. 3. (1) A wind lease shall designate as the date of the  
22 transaction the date on which the lessee actually signs the wind  
23 lease.

24 (2) The wind lease shall contain a statement substantially  
25 as follows in immediate proximity to the space reserved in the  
26 agreement or offer to purchase for the signature of the lessee:

1 "You, the lessee, may cancel this transaction at any time  
 2 before 12 midnight of the fourteenth business day after the  
 3 date of this lease. See the attached notice of cancellation  
 4 form for an explanation of this right."

5 (3) The lessor shall attach to the copy or cause to be  
 6 printed on the reverse side of the copy of the wind lease  
 7 retained by the lessee a notice of cancellation in duplicate that  
 8 shall appear as follows:

9 "notice of cancellation  
 10 (enter date of transaction)  
 11 (date)

12 You may cancel this wind lease, without any penalty or  
 13 obligation, within 14 business days from the above date. To  
 14 cancel this lease, mail or deliver a signed and dated copy of  
 15 this cancellation notice or any other written notice, at  
 16 (address of lessor's place of business) not later than 12  
 17 midnight on

18 \_\_\_\_\_.  
 19 (date)

20 I hereby cancel this lease.

21 \_\_\_\_\_  
 22 (date)

23 \_\_\_\_\_  
 24 (buyer's signature) "

25 (4) The notices required by this section shall be in not  
 26 less than 10-point bold type and shall be 2 points larger than  
 27 the text of the wind lease. A written agreement or offer to  
 28 purchase and the notice of cancellation attached to the wind  
 29 lease shall be written in the same language as that used in any

1 oral presentation that was given to facilitate the execution of  
2 the wind lease. The lessor shall enter on the blanks in the  
3 notice of cancellation the date of transaction, which is the date  
4 the lessee signs the written agreement, and the date for mailing  
5 the notice of cancellation. An error in entering this information  
6 shall not diminish the lessee's rights under this act.

7 (5) Until the lessor has complied with this section, the  
8 lessee may cancel the wind lease by notifying the lessor in any  
9 manner and by any means of his or her intention to cancel.