

HOUSE BILL No. 5663

December 8, 2009, Introduced by Reps. Sheltroun, Scripps, Mayes, McDowell, LeBlanc, Nerat, Polidori, Melton, Ball, Lindberg, Meadows and Cushingberry and referred to the Committee on Energy and Technology.

A bill to authorize a local unit of government to create a program to promote green energy use; to authorize a local unit of government to issue bonds and make loans from the proceeds of those bonds for certain purposes; to provide for the repayment of loans; and to prescribe the powers and duties of certain officials.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the "local
2 green energy bond act".

3 Sec. 3. (1) A local unit of government may create and operate
4 a program to promote green energy use by homeowners and businesses
5 located in the local unit of government.

6 (2) In order to fund a program as provided in subsection (1),

1 a local unit of government may issue bonds as provided in this act.
2 The proceeds of those bonds shall be used to make loans to
3 homeowners and businesses located in the local unit of government.
4 A loan under this act shall be used by the homeowner or business
5 only for 1 or more of the following purposes:

6 (a) Electrical production from wind energy, solar energy, or
7 geothermal energy for the owner's home or business.

8 (b) Energy efficiency improvements that are affixed to an
9 owner's home or business including, but not limited to, any of the
10 following:

11 (i) Windows and doors.

12 (ii) Insulation.

13 (iii) Roofs, including metal and asphalt.

14 (iv) HVAC equipment.

15 (v) Nonsolar water heaters.

16 (vi) Biomass stoves.

17 (vii) Geothermal heat pumps.

18 (viii) Solar panels.

19 (ix) Solar water heaters.

20 (x) Small wind energy systems.

21 (xi) Fuel cells.

22 Sec. 5. (1) A local unit of government may issue bonds secured
23 by the repayment of loans to fund a program as described in section
24 3.

25 (2) The bonds issued under this act shall be approved by the
26 department of treasury before their issuance, but shall not
27 otherwise be subject to the provisions of the revised municipal

1 finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

2 (3) The bonds issued under this act shall not be general
3 obligations of the local unit of government issuing the bonds. The
4 bonds are declared to be issued for an essential public and
5 governmental purpose, and, together with interest on those bonds
6 and income from those bonds, shall be exempted from all taxes.

7 Sec. 7. A local unit of government that issues bonds to make
8 loans to homeowners and businesses in the local unit of government
9 under this act shall establish a loan application and review
10 process and the criteria for approving a loan application.

11 Sec. 9. (1) A loan made to a homeowner or business under this
12 act is subject to all of the following conditions:

13 (a) The term of the loan shall not exceed 20 years.

14 (b) The interest rate on the loan shall be 0.5% higher than
15 the interest on the bond, fixed or variable.

16 (c) The amount of the loan to the homeowner or business shall
17 not exceed \$10.00 for every square foot of the home or business.

18 (2) Loan repayments shall be included in each summer and
19 winter tax bill issued under the general property tax act, 1893 PA
20 206, MCL 211.1 to 211.155, and shall be collected at the same time
21 and in the same manner as taxes collected under the general
22 property tax act, 1893 PA 206, MCL 211.1 to 211.155. A delinquent
23 loan payment is not the basis for forfeiture, foreclosure, and sale
24 of property for delinquent taxes under the general property tax
25 act, 1893 PA 206, MCL 211.1 to 211.155.

26 (3) The local unit of government may place a lien on the
27 owner's property or business to ensure repayment of the loan.

1 Sec. 11. As used in this act, "local unit of government" means
2 a county, city, village, or township.