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BILL ANALYSIS

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Senate Bill 763 (as introduced 10-19-11)
Sponsor: Senator Mark C. Jansen
Committee: Energy and Technology

Date Completed: 2-27-12

CONTENT

The bill would amend Public Act 185 of 1987, which governs a county department and board of public works, to authorize a county with a department of public works to acquire a renewable energy system, and extend to renewable energy systems provisions related to other county public works systems.

Specifically, a county establishing a department of public works could acquire a renewable energy system within one or more areas in the county, and could improve, enlarge, extend, operate, and maintain the system.

"Renewable energy system" would mean that term as it is defined in the Clean, Renewable, and Efficient Energy Act. (Under that Act, the term means a facility, electricity generation system, or set of electricity generation systems that use one or more renewable energy resources to generate electricity. The term does not include any of the following:

- A hydroelectric pumped storage facility.
- A hydroelectric facility that uses a dam constructed after October 6, 2008, unless the dam is a repair or replacement of a dam in existence on that date, or an upgrade of a dam existing on that date, that increases its energy efficiency.
- An incinerator, unless it is a municipal solid waste incinerator that was brought into service before October 6, 2008.

The Act defines "renewable energy resource" as a resource that replenishes naturally over a human, not a geological, time frame and that ultimately is derived from solar, water, or wind power. The term includes biomass, solar and solar thermal energy, wind energy, kinetic energy of moving water, geothermal energy, municipal solid waste, and landfill gas produced by municipal solid waste.)

Public Act 185 allows a county to acquire outside its corporate limits any part of a necessary water supply system, sewage disposal system, or refuse system. In addition, a county may acquire any part of such a system in an adjoining county or counties upon the consent of the governing body of the municipality or municipalities in which that part of the system is to be located or that is to be served by that part of the system. The bill would extend these provisions to the acquisition of a renewable energy system.

The Act requires the establishment of a county water supply, sewage disposal, or refuse system to be approved by a majority of the members of the county board of commissioners.

Under the bill, this requirement also would apply to the establishment of a renewable energy system.

The bill also would extend to a renewable energy system provisions related to the merging of two or more of the specified systems; the financing of a system acquisition, improvement, enlargement, or extension; contracts between a county and a municipality regarding a system; and the acquisition of property for a system.

MCL 123.731 et al.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have no impact on State revenue or expenditures. The bill could increase local unit expenditures and local unit revenue by an unknown amount, depending on the specific aspects of a county's activities with respect to renewable energy systems. To the extent that a local unit took on additional activities with respect to renewable energy systems, the bill could increase expenditures. Similarly, the Act allows various means of generating revenue to finance activities and a local unit could choose to exercise one or more of those options to fund the additional renewable energy system's activities.

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.