



**Senate Fiscal Agency**  
P. O. Box 30036  
Lansing, Michigan 48909-7536

BILL



ANALYSIS

**Telephone: (517) 373-5383**  
**Fax: (517) 373-1986**

House Bill 4457 (as reported without amendment)  
Sponsor: Representative Brandt Iden  
House Committee: Local Government  
Senate Committee: Local Government

### **CONTENT**

The bill would amend the Community College Act to do the following:

- Include energy conservation and operational improvements to community college facilities or infrastructure among permitted conservation improvement projects.
- Allow such projects to be financed from a lease-purchase agreement.
- Specify that the term of an installment contract, lease-purchase agreement, or notes could not exceed 20 years from the final completion or useful life of the improvements (rather than 25 years from the date of installation).

The Act authorizes a community college board of trustees to provide for energy conservation improvements to be made to community college facilities, and to pay for the improvements from operating funds of the community college district or from the savings that result from the improvements. The bill instead would allow a community college board to provide for the acquisition or financing of energy conservation and operational improvements to be made to community college facilities or infrastructure and to pay for the improvements or the financing or refunding of the improvements from the district's operating funds or from the savings that resulted from the improvements.

Currently, a community college board may acquire one or more energy conservation improvements by installment contract, borrow money and issue notes for the purpose of securing funds for the improvements, or enter into contracts in which the cost of the energy conservation improvements is paid from a portion of the savings that result from the improvements. The bill would allow a board to acquire, finance, or refund one or more energy conservation and operational improvements by these methods, and provides that an installment contract could include a lease-purchase agreement.

The Act describes the types of improvements that energy conservation improvements may include. The bill lists additional types of improvements that energy conservation and operational improvements could include.

MCL 389.122

Legislative Analyst: Drew Krogulecki

### **FISCAL IMPACT**

The bill would have an indeterminate impact on local community college districts. Costs and savings would depend on the extent to which lease purchase agreements were used, and the terms of those agreements.

Date Completed: 9-20-17

Fiscal Analyst: Bill Bowerman

floor\hb4457

Bill Analysis @ [www.senate.michigan.gov/sfa](http://www.senate.michigan.gov/sfa)

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.