

**HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 854**

A bill to amend 1909 PA 278, entitled  
"The home rule village act,"  
by amending section 24b (MCL 78.24b), as amended by 1989 PA 29.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 24b. (1) The governing body of a village may provide  
2 by resolution for energy conservation improvements to be made to  
3 village facilities and may pay for the improvements from operat-  
4 ing funds of the village or from the savings that result from the  
5 energy conservation improvements. Energy conservation improve-  
6 ments may include, but are not limited to, heating system  
7 improvements, fenestration improvements, roof improvements, the  
8 installation of any insulation, the installation or repair of  
9 heating or air conditioning controls, and entrance or exit way  
10 closures.

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1           (2) The governing body of a village may acquire 1 or more of  
2 the energy conservation improvements described in subsection (1)  
3 by installment contract or may borrow money and issue notes for  
4 the purpose of securing funds for the improvements or may enter  
5 into contracts in which the cost of the energy conservation  
6 improvements is paid from a portion of the savings that result  
7 from the energy conservation improvements. These contractual  
8 agreements may provide that the cost of the energy conservation  
9 improvements are paid only if the energy savings are sufficient  
10 to cover their cost. An installment contract or notes issued  
11 pursuant to this subsection shall extend for a period of time not  
12 to exceed 10 years. Notes issued pursuant to this subsection  
13 shall be full faith and credit, tax limited obligations of the  
14 village, payable from tax levies and the general fund as pledged  
15 by the governing body of the village. The notes ~~shall be~~ ARE  
16 subject to the REVISED municipal finance act, ~~Act No. 202 of the~~  
17 ~~Public Acts of 1943, being sections 131.1 to 139.3 of the~~  
18 ~~Michigan Compiled Laws~~ 2001 PA 34, MCL 141.2101 TO 141.2821.  
19 ~~The notes shall bear interest at a rate determined by the gov-~~  
20 ~~erning body of the village, not to exceed the rate provided in~~  
21 ~~section 1a of chapter III of the municipal finance act, Act~~  
22 ~~No. 202 of the Public Acts of 1943, being section 133.1a of the~~  
23 ~~Michigan Compiled Laws.~~ This subsection does not limit in any  
24 manner the borrowing or bonding authority of a village as pro-  
25 vided by law.

26           (3) If energy conservation improvements are made as provided  
27 in this section, the governing body of a village shall report the

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1 following information to the ~~Michigan public service commission~~  
2 DEPARTMENT OF TREASURY within 60 days of the completion of the  
3 improvements:

4 (a) Name of each facility to which an improvement is made  
5 and a description of the conservation improvement.

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

8 (c) Project costs and expenditures.

9 (d) Estimated annual energy savings.

10 (4) If energy conservation improvements are made as provided  
11 in this section, the governing body of a village shall report to  
12 the ~~Michigan public service commission~~ DEPARTMENT OF TREASURY,  
13 by July 1 of each of the 5 years after the improvements are com-  
14 pleted, only the actual annual energy consumption of each facil-  
15 ity to which improvements are made. The forms for the reports  
16 required by this section shall be furnished by the ~~Michigan~~  
17 ~~public service commission~~ DEPARTMENT OF TREASURY.