



Senate Fiscal Agency
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House Bill 5397 (Substitute H-2 as reported without amendment)

Sponsor: Representative Joe Haveman
House Committee: Energy and Technology
Senate Committee: Energy and Technology

CONTENT

The bill would create the "Municipal Utility Residential Clean Energy Program Act" to authorize a municipality (a city, village, or township with residents served by a municipal electric utility) to establish a clean energy program to promote the use of renewable energy systems and energy efficiency improvements by residential property owners. Specifically, the bill would do the following:

- Authorize a municipality to designate a residential clean energy program district and enter into a contract with the owner of residential property in the district to finance energy projects on the property.
- Prescribe procedures that a municipality's governing body would have to follow to adopt a residential clean energy program by resolution or ordinance.
- Allow an adopted program to provide for financing energy projects through loans made to property owners by the municipal electric utility, a nonprofit corporation administering a program, or commercial lenders.
- Authorize the program to collect program fees and installment payments from participating property owners through a per-meter charge on their electric bills.
- Allow loan repayment and program fee delinquency to be treated in the same manner as tax delinquency.
- Require a municipality's governing body to issue a report on a proposed residential clean energy program.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have no fiscal impact on State government. The fiscal impact on local government would be limited to a city, village, or township with a municipal electric utility that offered a residential clean energy program pursuant to the bill. The local impact would vary based on the structure and terms of a local program, which could include financial participation by the municipal electric utility, the municipality, or a private fund source. Participating municipalities would incur costs to administer and finance the program and to prepare and post on the internet a required report. Depending on the structure of the program, the costs would be offset by participant fees, participant repayments (or possibly liens on residential property that benefited from the program), and potentially the avoidance of other municipal utility operating costs, if the residential clean energy program reduced demand for electricity.

Date Completed: 12-3-14

Fiscal Analyst: Elizabeth Pratt

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Bill Analysis @ www.senate.michigan.gov/sfa

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