

Legislative Analysis



COMMUNITY COLLEGES: EXTEND TERM OF ENERGY IMPROVEMENT CONTRACT

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House Bill 5806
Sponsor: Rep. Al Pscholka
Committee: Energy and Technology

Complete to 9-19-14

A SUMMARY OF HOUSE BILL 5806 AS INTRODUCED 9-16-14

Currently, when financing energy conservation improvements, a community college can enter into an installment contract or issue notes for a time period not to exceed 10 years.

House Bill 5806 would amend the Community College Act to instead allow the repayment period to not exceed 15 years from the date of installation of the energy conservation improvements, or the average useful life of the improvements, whichever is greater.

Further, the act currently allows the contractual agreements to provide that the cost of the energy conservation improvements be paid only if the energy savings are sufficient to cover their cost. This provision would be eliminated.

MCL 389.122

FISCAL IMPACT:

By extending the period for energy conservation installment contracts or notes, the bill could reduce the annual contract- or note-related payments made by affected community colleges. The bill would have no fiscal impact on the state or local units of government.

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