



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 375 (as introduced 5-10-17)
Sponsor: Senator Darwin L. Booher
Committee: Local Government

Date Completed: 9-12-17

CONTENT

The bill would amend the Property Assessed Clean Energy Act to allow local units of government to acquire, install, or improve an anaerobic digester under a property assessed clean energy (PACE) program.

The Act authorizes local units of government to adopt PACE programs. Under a program, a local unit of government (a county, township, city, or village) may enter into a contract with the owner of privately owned commercial or industrial real property within a district to finance or refinance one or more energy projects on the property. The contract may provide for the repayment of the cost of an energy project through assessments on the property benefited. The financing or refinancing may include the cost of materials and labor necessary for installation, permit fees, inspection fees, and other fees that may be incurred by the owner pursuant to the installation.

The term "energy project" means the installation or modification of an energy efficiency improvement or the acquisition, installation, or improvement of a renewable energy system. The bill would include in the term the acquisition, installation, or improvement of an anaerobic digester.

The bill also would require a local unit of government to obtain verification that an anaerobic digester was property installed and operating as intended following the completion of an energy project, as currently required for a renewable energy system or energy efficiency improvement.

The bill would take effect 90 days after its enactment.

MCL 460.933 & 460.939

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have a minimal impact on local governments that have or establish a property assessed clean energy (PACE) district. Under current law, many types of energy efficiency and renewable energy projects may be financed through a PACE district. The proposed expansion of the eligible types of energy projects to include the installation or modification of an anaerobic digester would not have a substantial impact on the parameters of the program. The decision to establish a PACE district remains with each city, village, township, or county. The bill would have no fiscal impact on State government.

Fiscal Analyst: Elizabeth Pratt

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