



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 260 (as enrolled)
 Sponsor: Senator Mat J. Dunaskiss
 Committee: Technology and Energy

Date Completed: 3-30-95

RATIONALE

The Management and Budget Act prescribes the powers and duties of the Department of Management and Budget (DMB), which include permitting the Department to issue directives for the appropriate maintenance, repair, renovation, and renewal of facilities. Public Act 122 of 1987 amended the Management and Budget Act to permit a State agency to enter into a multiyear contract for energy conservation improvements to State facilities. A State agency is required to request a certificate of energy cost savings from the Public Service Commission (PSC). This certificate is to be based on actual energy use and cost data, provided to the Commission by the State agency. At the close of each fiscal year, 75% of the unencumbered balance of an agency's appropriation for fuel or utilities that resulted from energy management actions, as certified by the PSC, must be carried forward to the next fiscal year and allocated for a special energy conservation work order or project. These provisions allow the creation of an ongoing energy savings program for the operation of State facilities. Meanwhile, the 1992 National Energy Conservation Policies Act requires states to adopt more stringent energy efficiency measures to be used in the construction of residential and commercial buildings, including buildings constructed by the states. Although the DMB Act provides for energy conservation improvements to be made in the operation of State facilities, it does not specify that such measures are to be taken in the construction or repair of these facilities. Some people believe the Act also should require that energy efficiency be considered when the State builds or renovates its facilities.

CONTENT

The bill would amend the Management and Budget Act to require the DMB to consider the energy efficiency of all materials used in the

construction, alteration, repair, or rebuilding of a building or facility owned or operated by the State.

MCL 18.1241b

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The 1992 National Energy Conservation Policy Act requires states to adopt more stringent energy efficiency measures for commercial or residential buildings under construction or renovation. Reportedly, the process is under way in Michigan for updating administrative rules under the State Construction Code Act to meet these energy efficiency requirements. While the DMB Act permits a State agency to enter into multiyear contracts for energy conservation improvements to existing facilities, it does not specifically provide for the consideration of energy efficiencies in the construction or repair of State facilities. According to the DMB, the Department already considers the energy efficiency of materials used in construction or repair of these buildings. The bill would put into law the considerations already being made by the Department, and would assure that energy efficiency was considered until rules requiring this action have been promulgated.

Legislative Analyst: L. Arasim

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: L. Nacionales-Tafoya

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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.