

HOUSE BILL No. 5009

September 26, 2017, Introduced by Reps. Hoadley, Chang, Geiss, Love, Pagan, Hertel, Lasinski, Elder, Hammoud, Sabo, Wittenberg, Moss, Ellison, Brinks, Faris, Pagel, Sowerby, Clemente, Rabhi, Schor, Camilleri, Peterson, Byrd, Scott and Greig and referred to the Committee on Education Reform.

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending sections 1274a and 1274b (MCL 380.1274a and 380.1274b),
section 1274a as amended by 2017 PA 23 and section 1274b as added
by 2000 PA 376, and by adding sections 1274c, 1274d, 1274e, 1274f,
and 1274i.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1274a. (1) The board of a school district or intermediate
2 school district may contract with a qualified provider for the
3 acquisition or financing of energy conservation and operational
4 improvements to school facilities or infrastructure. These
5 improvements or the financing or refunding of the improvements may
6 be paid **FROM A LOAN UNDER SECTIONS 1274B TO 1274F, IF APPLICABLE,**
7 from operating funds of the school district, from the proceeds of
8 bonds or notes issued for energy conservation and operational

1 improvements to school facilities, or from an installment contract
2 or lease-purchase agreement, or the board or intermediate school
3 board may enter into 1 or more energy saving performance contracts.
4 These contracts may contain a written financial guarantee providing
5 that the costs of improvements will be paid only if the energy
6 savings are sufficient to cover them. Energy conservation and
7 operational improvements to school facilities may include, but are
8 not limited to, building envelope improvements; heating,
9 ventilating, and cooling upgrades; lighting retrofits; installing
10 or upgrading an energy management system; motor, pump, or fan
11 replacements; domestic water use reductions; information technology
12 improvements associated with an energy conservation and operational
13 improvement to school facilities; municipal utility improvements
14 associated with an energy conservation and operational improvement
15 to school facilities; and upgrading other energy consuming
16 equipment or appliances.

17 (2) A school board or intermediate school board that contracts
18 for energy conservation and operational improvements to school
19 facilities under subsection (1) may require the qualified provider
20 to furnish a bond that guarantees energy cost savings for a
21 specified period of time.

22 (3) If a school board or intermediate school board enters into
23 an energy saving performance contract under this section, all of
24 the following apply:

25 (a) The bids for the contract shall provide a detailed
26 breakdown of the energy performance savings to be derived each year
27 and for the duration of the energy saving performance contract,

1 including at least all of the following:

2 (i) A description of the guaranteed energy use savings and
3 tasks to be performed under the energy saving performance contract.

4 (ii) The combined total net cost of all of the energy
5 conservation measures in the project.

6 (iii) The projected energy savings and operating and
7 maintenance cost savings resulting from the project.

8 (iv) The useful life of each energy conservation measure.

9 (v) The simple payback period.

10 (b) The qualified provider shall certify that measurement and
11 verification techniques for determining cost savings will be
12 performed in accordance with the protocols promulgated by the
13 International Performance Measurement and Verification Protocol,
14 Inc., now known as Efficiency Value Organization.

15 (4) The board of a school district or intermediate school
16 district may provide for the removal or treatment of asbestos or
17 other material injurious to health for school facilities and may
18 pay for the improvements from operating funds of the school
19 district or from the proceeds of bonds or notes issued for that
20 purpose.

21 (5) Issuance of bonds for the purposes authorized by this
22 section shall be considered as issued for capital expenditures for
23 all purposes including section 16 of article IX of the state
24 constitution of 1963. A lease-purchase agreement issued pursuant to
25 this subsection is not subject to the revised municipal finance
26 act, 2001 PA 34, MCL 141.2101 to 141.2821, and is not a municipal
27 security or a debt as those terms are defined in that act.

1 (6) Energy conservation and operational improvements to school
2 facilities, or substance removal or treatment authorized by this
3 section is subject to the competitive bidding requirements of
4 section 1267.

5 (7) If energy conservation and operational improvements to
6 school facilities are made by a school district or intermediate
7 school district as provided in this section, the school board or
8 intermediate school board shall determine the following information
9 and shall report the following information to the state treasurer
10 within 60 days after the completion of the improvements:

11 (a) Name of each facility to which an improvement was made and
12 a description of the energy conservation and operational
13 improvements to school facilities.

14 (b) Actual energy consumption during the 12-month period
15 before commencement of the improvement.

16 (c) Project costs and expenditures, including the total of all
17 lease payments over the duration of the lease-purchase agreement.

18 (d) Estimated annual energy savings, including projected
19 savings over the duration of the installment contract.

20 (8) If energy conservation and operational improvements to
21 school facilities are made as provided in this section, the school
22 board or intermediate school board shall report to the state
23 treasurer by July 1 of each of the 5 years after the improvements
24 are completed the actual annual energy consumption of each facility
25 to which improvements were made. The forms for the reports required
26 by this section shall be furnished by the state treasurer.

27 (9) An installment contract described in this section may

1 include a lease-purchase agreement, which may be a multiyear
2 contractual obligation that provides for automatic renewal unless
3 positive action is taken by the board of the school district or
4 intermediate school district to terminate that contract. Payments
5 under a lease-purchase agreement are a current operating expense
6 subject to annual appropriations of funds by the board of the
7 school district or intermediate school district and shall obligate
8 the board of the school district or intermediate school district
9 only for those sums payable during the fiscal year of contract
10 execution or any renewal year thereafter. The board of the school
11 district or intermediate school district may make payments under a
12 lease-purchase agreement from any legally available funds or from a
13 combination of energy or operational savings, capital
14 contributions, future replacement costs avoided, or billable
15 revenue enhancements that result from energy conservation and
16 operational improvements to school facilities, if the board of the
17 school district or intermediate school district has determined that
18 those funds are sufficient to cover, in aggregate over the full
19 term of the contractual agreement, the cost of the energy
20 conservation and operational improvements to school facilities. The
21 lease-purchase agreement terminates immediately and absolutely and
22 without further obligation on the part of the board of the school
23 district or intermediate school district at the close of the fiscal
24 year in which it was executed or renewed or at such time as
25 appropriated and otherwise unobligated funds are no longer
26 available to satisfy the obligations of the board of the school
27 district or intermediate school district under the lease-purchase

1 agreement. During the term of the lease-purchase agreement, the
2 board of the school district or intermediate school district is the
3 vested owner of the energy conservation and operational
4 improvements and may grant a security interest in the energy
5 conservation and operational improvements to the provider of the
6 lease-purchase agreement. The board of the school district or
7 intermediate school district shall not be obligated under a lease-
8 purchase agreement for more than 20 years after either the date of
9 the final completion of the energy conservation and operational
10 improvements to school facilities or the end of the useful life of
11 the aggregate energy conservation and operational improvements to
12 school facilities, whichever occurs first. Upon the termination of
13 the lease-purchase agreement and the satisfaction of the
14 obligations of the board of the school district or intermediate
15 school district, the provider of the lease-purchase agreement shall
16 release its security interest in the energy conservation and
17 operational improvements.

18 (10) As used in this section:

19 (a) "Energy saving performance contract" means an agreement
20 for the evaluation, recommendation, and implementation of energy
21 conservation measures including, but not limited to, an energy
22 audit or detailed energy study; the design, installation,
23 operation, and maintenance of 1 or more energy conservation
24 measures; energy management services; and an energy savings
25 guarantee.

26 (b) "Qualified provider" means an individual or a business
27 entity that is experienced in performing design, analysis, and

1 installation of energy conservation and operational improvements
2 and facility energy management measures and that will provide these
3 services under the contract with a guarantee or on a performance
4 basis.

5 Sec. 1274b. ~~(1) Except as otherwise provided in subsection~~
6 ~~(2), the board of a school district, local act school district, or~~
7 ~~intermediate school district; governing board of a nonpublic~~
8 ~~school; or board of directors of a public school academy shall~~
9 ~~ensure that after December 31, 2004 the school district,~~
10 ~~intermediate school district, nonpublic school, or public school~~
11 ~~academy does not purchase, store, or use free flowing elemental~~
12 ~~mercury for any experiment, display, or other purpose and does not~~
13 ~~purchase, store, or use an instrument that contains mercury,~~
14 ~~including, but not limited to, a thermometer, barometer, or~~
15 ~~sphygmomanometer, or manometer containing mercury.~~

16 ~~—— (2) After December 31, 2004, if no reasonably acceptable,~~
17 ~~mercury-free alternative exists for an instrument used by the~~
18 ~~school district, intermediate school district, nonpublic school, or~~
19 ~~public school academy, then the school district, intermediate~~
20 ~~school district, nonpublic school, or public school academy may use~~
21 ~~the instrument that contains the lowest mercury content available~~
22 ~~on the market.~~

23 ~~—— (3) The board of a school district, local act school district,~~
24 ~~or intermediate school district; governing board of a nonpublic~~
25 ~~school; or board of directors of a public school academy shall~~
26 ~~ensure that the school district, intermediate school district,~~
27 ~~nonpublic school, or public school academy disposes of mercury and~~

~~instruments containing mercury in accordance with applicable state and federal law.~~ AS USED IN THIS SECTION AND SECTIONS 1274C TO 1274F, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(A) "COMMUNITY SOLAR GARDEN" MEANS A SOLAR ELECTRIC GENERATION FACILITY WITH A NAMEPLATE RATING OF 2 MEGAWATTS OR LESS, THE BENEFICIAL USE OF THE ELECTRICITY GENERATED BY WHICH BELONGS TO 10 OR MORE SUBSCRIBERS. THE OWNER OF THE COMMUNITY SOLAR GARDEN MAY BE AN ELECTRIC UTILITY OR ANY OTHER FOR-PROFIT OR NONPROFIT ENTITY OR ORGANIZATION, INCLUDING A SUBSCRIBER ORGANIZATION, THAT CONTRACTS TO SELL THE OUTPUT FROM THE COMMUNITY SOLAR GARDEN TO THE ELECTRIC UTILITY.

(B) "ENERGY EFFICIENCY PROJECT" MEANS A PROJECT THAT WILL RESULT IN MORE EFFICIENT USE OF ENERGY OR RESOURCES, INCLUDING, BUT NOT LIMITED TO, ANY OF THE FOLLOWING:

(i) INSTALLATION OF EQUIPMENT AND RELATED INFRASTRUCTURE THAT WILL HELP DEFRAY ENERGY COSTS.

(ii) IMPROVING THE ENERGY EFFICIENCY OF A BUILDING BY ADDRESSING LIGHTING ISSUES, IMPROVING MECHANICAL SYSTEMS AND EQUIPMENT, ADDING INSULATION OR OTHERWISE IMPROVING THE BUILDING ENVELOPE, ADDING OR INCORPORATING SOLAR THERMAL TECHNOLOGIES, OR IMPROVING OPERATIONS MANAGEMENT.

(iii) REDUCING WATER USAGE OR WATER CONSUMPTION.

(iv) IMPROVING THE ENERGY EFFICIENCY OF MOTOR VEHICLE FLEETS, INCLUDING BUS FLEETS, THROUGH MEASURES INCLUDING THE USE OF HYBRID OR ALTERNATIVE-FUEL VEHICLES AND THE ADDITION OF FUEL-SAVING TECHNOLOGIES TO EXISTING VEHICLES.

(C) "FINANCIAL INSTITUTION" MEANS THAT TERM AS DEFINED IN

1 SECTION 1221.

2 (D) "MICHIGAN AGENCY FOR ENERGY" MEANS THE MICHIGAN AGENCY FOR
3 ENERGY CREATED UNDER EXECUTIVE REORGANIZATION ORDER NO. 2015-3, MCL
4 460.21.

5 (E) "QUALIFIED SCHOOL DISTRICT" MEANS A SCHOOL DISTRICT OR
6 INTERMEDIATE SCHOOL DISTRICT THAT HAS A RENEWABLE ENERGY PROJECT
7 TEAM.

8 (F) "RENEWABLE ENERGY AND ENERGY EFFICIENCY FOR SCHOOLS LOAN
9 PROGRAM" OR "LOAN PROGRAM" MEANS THE RENEWABLE ENERGY AND ENERGY
10 EFFICIENCY FOR SCHOOLS LOAN PROGRAM CREATED IN SECTION 1274C.

11 (G) "RENEWABLE ENERGY AND ENERGY EFFICIENCY FOR SCHOOLS LOAN
12 PROGRAM ADMINISTRATION FUND" OR "FUND" MEANS THE RENEWABLE ENERGY
13 AND ENERGY EFFICIENCY FOR SCHOOLS LOAN PROGRAM ADMINISTRATION FUND
14 CREATED IN SECTION 1274E.

15 (H) "RENEWABLE ENERGY PROJECT" MEANS A PROJECT, OPERATED IN
16 COMPLIANCE WITH LAW, TO INSTALL WIND, SOLAR, OR OTHER RENEWABLE
17 ENERGY EQUIPMENT AND RELATED INFRASTRUCTURE THAT WILL HELP DEFRAY A
18 QUALIFIED SCHOOL DISTRICT'S ENERGY COSTS AND PROVIDE EDUCATIONAL
19 OPPORTUNITIES FOR STUDENTS RELATING TO THE GENERATION OF RENEWABLE
20 ENERGY.

21 (I) "RENEWABLE ENERGY PROJECT TEAM" MEANS A TEAM OF
22 INDIVIDUALS WHO ARE DEDICATED TO A RENEWABLE ENERGY PROJECT AT A
23 SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT. A RENEWABLE ENERGY
24 PROJECT TEAM SHALL INCLUDE, AT A MINIMUM, ALL OF THE FOLLOWING:

25 (i) REPRESENTATIVES OF THE SCHOOL DISTRICT OR INTERMEDIATE
26 SCHOOL DISTRICT.

27 (ii) REPRESENTATIVES OF THE LOCAL COMMUNITY.

1 (iii) ONE OR MORE INDIVIDUALS WHO PROVIDE PROFESSIONAL
2 TECHNICAL ASSISTANCE TO THE SCHOOL DISTRICT OR INTERMEDIATE SCHOOL
3 DISTRICT TO FACILITATE A RENEWABLE ENERGY PROJECT OR ENERGY
4 EFFICIENCY PROJECT. SUCH AN INDIVIDUAL MAY ALSO BE A REPRESENTATIVE
5 OF A LOCAL ELECTRICAL UTILITY.

6 SEC. 1274C. (1) THE RENEWABLE ENERGY AND ENERGY EFFICIENCY FOR
7 SCHOOLS LOAN PROGRAM IS ESTABLISHED TO FUND RENEWABLE ENERGY
8 PROJECTS AND ENERGY EFFICIENCY PROJECTS AT QUALIFIED SCHOOL
9 DISTRICTS. A QUALIFIED SCHOOL DISTRICT MAY, WITH THE WRITTEN
10 AUTHORIZATION OF THE SCHOOL BOARD OR INTERMEDIATE SCHOOL BOARD, AS
11 APPLICABLE, APPLY TO THE MICHIGAN AGENCY FOR ENERGY, IN COMPLIANCE
12 WITH PROCEDURES AND DEADLINES ESTABLISHED BY RULES PROMULGATED BY
13 THE DEPARTMENT PURSUANT TO SECTION 1274D, TO RECEIVE A LOAN FROM
14 THE STATE SCHOOL AID FUND THROUGH THE LOAN PROGRAM. THE AGENCY
15 SHALL ADMINISTER THE LOAN PROGRAM AS PROVIDED IN SECTIONS 1274B TO
16 1274F AND PURSUANT TO THE POLICIES ADOPTED BY THE AGENCY.

17 (2) IF THE STATE TREASURER AUTHORIZES A LOAN FOR A QUALIFIED
18 SCHOOL DISTRICT UNDER SECTION 1274F, THE QUALIFIED SCHOOL DISTRICT
19 MUST DETERMINE WHAT FINANCING TERMS ARE AVAILABLE TO IT FROM AT
20 LEAST 2 FINANCIAL INSTITUTIONS BEFORE ACCEPTING THE LOAN.

21 (3) A QUALIFIED SCHOOL DISTRICT SHALL USE A LOAN RECEIVED
22 THROUGH THE LOAN PROGRAM TO PAY FOR TECHNICAL ASSISTANCE,
23 EQUIPMENT, OR INSTALLATION COSTS ASSOCIATED WITH A RENEWABLE ENERGY
24 PROJECT OR AN ENERGY EFFICIENCY PROJECT.

25 (4) A QUALIFIED SCHOOL DISTRICT THAT RECEIVES A LOAN THROUGH
26 THE LOAN PROGRAM FOR A RENEWABLE ENERGY PROJECT MAY USE THE LOAN TO
27 FINANCE THE ACQUISITION OF A RENEWABLE ENERGY PROJECT THAT IS

1 LOCATED ON THE SCHOOL PREMISES AND, IF IT GENERATES ELECTRICITY, IS
2 INTERCONNECTED ON THE CUSTOMER SIDE OF THE UTILITY METER IN
3 COMPLIANCE WITH THE REQUIREMENTS OF PART 5 OF THE CLEAN AND
4 RENEWABLE ENERGY AND ENERGY WASTE REDUCTION ACT, 2008 PA 295, MCL
5 460.1171 TO 460.1185. SUCH A PROJECT MAY INCORPORATE OR CONSIST OF
6 AN INTEREST IN A COMMUNITY SOLAR GARDEN.

7 (5) A QUALIFIED SCHOOL DISTRICT THAT APPLIES FOR A LOAN
8 THROUGH THE LOAN PROGRAM FOR A RENEWABLE ENERGY PROJECT SHALL
9 CONTACT ITS LOCAL ELECTRICAL UTILITY AND ALLOW THE UTILITY, AT THE
10 UTILITY'S DISCRETION, TO PLACE A REPRESENTATIVE OF THE UTILITY ON
11 THE QUALIFIED SCHOOL DISTRICT'S RENEWABLE ENERGY PROJECT TEAM.

12 SEC. 1274D. (1) BY 1 YEAR AFTER THE EFFECTIVE DATE OF THIS
13 SECTION, THE DEPARTMENT, IN CONSULTATION WITH THE MICHIGAN AGENCY
14 FOR ENERGY, SHALL PROMULGATE RULES ESTABLISHING POLICIES AND
15 PROCEDURES FOR THE ADMINISTRATION OF A RENEWABLE ENERGY AND ENERGY
16 EFFICIENCY FOR SCHOOLS LOAN PROGRAM. AT A MINIMUM, THE RULES SHALL
17 INCLUDE ALL OF THE FOLLOWING:

18 (A) POLICIES SPECIFYING THE PROCEDURES BY WHICH A QUALIFIED
19 SCHOOL DISTRICT MAY APPLY TO THE AGENCY FOR A LOAN, THE FORM OF THE
20 LOAN APPLICATION, THE INFORMATION TO BE PROVIDED BY AN APPLICANT,
21 AND THE CRITERIA USED BY THE AGENCY FOR AWARDING AND DENYING LOANS.

22 (B) APPLICATION REQUIREMENTS, INCLUDING SUBMITTAL OF 1 OF THE
23 FOLLOWING WITH THE APPLICATION:

24 (i) AN ENERGY RATING FOR THE FACILITY FOR WHICH A RENEWABLE
25 ENERGY PROJECT LOAN IS INTENDED THAT DEMONSTRATES THAT THE FACILITY
26 QUALIFIES FOR THE FEDERAL ENERGY STAR LABEL.

27 (ii) AN ENERGY EFFICIENCY PLAN CREATED IN CONSULTATION WITH

1 THE AGENCY. THE PLAN SHALL INCLUDE BOTH OF THE FOLLOWING:

2 (A) COST-EFFECTIVE ENERGY-SAVING MEASURES AND PROGRAMS THAT
3 THE APPLICANT WILL IMPLEMENT.

4 (B) ACTIONS THAT THE APPLICANT WILL TAKE TO IMPLEMENT,
5 MONITOR, REVIEW, AND REVISE THE PLAN.

6 (2) THE MICHIGAN AGENCY FOR ENERGY SHALL REVIEW EACH LOAN
7 APPLICATION RECEIVED FROM A QUALIFIED SCHOOL DISTRICT PURSUANT TO
8 SECTION 1274C(1), EVALUATE THE RENEWABLE ENERGY PROJECT OR ENERGY
9 EFFICIENCY PROJECT DESCRIBED IN THE APPLICATION, AND MAKE A
10 RECOMMENDATION TO THE STATE TREASURER AS TO WHETHER TO AWARD THE
11 LOAN AND THE AMOUNT OF THE LOAN. IF THE AGENCY DETERMINES AN
12 APPLICATION IS MISSING ANY INFORMATION REQUIRED BY THE AGENCY TO BE
13 INCLUDED WITH THE APPLICATION, THE AGENCY MAY CONTACT THE APPLICANT
14 TO OBTAIN THE MISSING INFORMATION.

15 (3) IN REVIEWING A LOAN APPLICATION FOR A RENEWABLE ENERGY
16 PROJECT OR ENERGY EFFICIENCY PROJECT UNDER SUBSECTION (2), THE
17 MICHIGAN AGENCY FOR ENERGY SHALL CONSIDER, AT A MINIMUM, WHETHER A
18 QUALIFIED SCHOOL DISTRICT WOULD REDUCE ITS ENERGY COSTS BY THE
19 IMPLEMENTATION OF THE RENEWABLE ENERGY PROJECT OR ENERGY EFFICIENCY
20 PROJECT.

21 (4) THE STATE TREASURER MAY REQUIRE EACH QUALIFIED SCHOOL
22 DISTRICT THAT RECEIVES A LOAN FROM THE LOAN PROGRAM TO PAY TO THE
23 MICHIGAN AGENCY FOR ENERGY A FEE THAT REFLECTS THE DIRECT AND
24 INDIRECT COSTS INCURRED BY THE STATE TREASURER IN ADMINISTERING
25 LOANS UNDER SECTION 1274F. IF THE STATE TREASURER ELECTS TO IMPOSE
26 A FEE, HE OR SHE SHALL NOTIFY THE AGENCY AND THE STATE BOARD OF
27 EDUCATION OF THE DECISION TO IMPOSE THE FEE. A FEE MAY BE IMPOSED

1 ON A REGULARLY SCHEDULED BASIS TO BE DETERMINED BY THE STATE
2 TREASURER. IF A FEE IS IMPOSED ON A REGULARLY SCHEDULED BASIS, A
3 QUALIFIED SCHOOL DISTRICT THAT RECEIVES A LOAN FROM THE LOAN
4 PROGRAM SHALL PAY THE FEE UNTIL THE LOAN IS REPAYED IN FULL.

5 (5) IF THE STATE TREASURER ELECTS UNDER SUBSECTION (4) TO
6 IMPOSE A FEE AS PART OF THE LOAN APPLICATION PROCESS, THE MICHIGAN
7 AGENCY FOR ENERGY SHALL FORWARD ALL MONEY RECEIVED AS FEES TO THE
8 STATE TREASURER FOR DEPOSIT IN THE FUND.

9 SEC. 1274E. (1) THE RENEWABLE ENERGY AND ENERGY EFFICIENCY FOR
10 SCHOOLS LOAN PROGRAM ADMINISTRATION FUND IS CREATED WITHIN THE
11 STATE TREASURY.

12 (2) TO THE EXTENT PERMITTED BY LAW, THE MICHIGAN AGENCY FOR
13 ENERGY MAY DIRECT MONEY TO THE FUND. THE STATE TREASURER MAY
14 RECEIVE MONEY OR OTHER ASSETS FROM ANY SOURCE FOR DEPOSIT INTO THE
15 FUND. THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE FUND.
16 THE STATE TREASURER SHALL CREDIT TO THE FUND INTEREST AND EARNINGS
17 FROM FUND INVESTMENTS. MONEY IN THE FUND AT THE CLOSE OF THE FISCAL
18 YEAR SHALL REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL
19 FUND.

20 (3) THE STATE TREASURER SHALL BE THE ADMINISTRATOR OF THE FUND
21 FOR AUDITING PURPOSES. THE STATE TREASURER SHALL EXPEND MONEY FROM
22 THE FUND, UPON APPROPRIATION, ONLY FOR THE DIRECT AND INDIRECT
23 COSTS INCURRED BY THE MICHIGAN AGENCY FOR ENERGY IN ADMINISTERING
24 THE PROGRAM UNDER SECTIONS 1274B TO 1274F. MONEY FROM THE FUND
25 SHALL NOT BE EXPENDED FOR ANY LOAN MADE TO A QUALIFIED SCHOOL
26 DISTRICT UNDER SECTIONS 1274B TO 1274F.

27 SEC. 1274F. (1) THE STATE TREASURER MAY MAKE LOANS FROM THE

1 STATE SCHOOL AID FUND TO QUALIFIED SCHOOL DISTRICTS TO ASSIST THEM
2 IN PROVIDING RENEWABLE ENERGY PROJECTS AND ENERGY EFFICIENCY
3 PROJECTS AS DESCRIBED IN SECTIONS 1274B TO 1274F. THE PROCEDURES
4 FOR THE MAKING OF LOANS SHALL BE DETERMINED BY THE STATE TREASURER.
5 HOWEVER, THE STATE TREASURER SHALL NOT AUTHORIZE A LOAN UNDER ANY
6 OF THE FOLLOWING CIRCUMSTANCES:

7 (A) FOR ANY RENEWABLE ENERGY PROJECT OR ENERGY EFFICIENCY
8 PROJECT THAT HAS NOT BEEN EVALUATED BY THE MICHIGAN AGENCY FOR
9 ENERGY UNDER SECTION 1274D(2) .

10 (B) IN AN AMOUNT EXCEEDING THE AMOUNT RECOMMENDED BY THE
11 AGENCY UNDER SECTION 1274D(2) UNLESS THE AGENCY APPROVES THE CHANGE
12 IN THE LOAN AMOUNT .

13 (C) IF THE METHOD FOR REPAYMENT OF THE LOAN IS NOT SPECIFIED
14 IN THE APPLICATION .

15 (2) SUBJECT TO THE LIMITATIONS DESCRIBED IN THIS SECTION, THE
16 STATE TREASURER SHALL DETERMINE WHICH QUALIFIED SCHOOL DISTRICTS
17 SHALL RECEIVE LOANS, THE AMOUNT OF EACH LOAN, THE TERMS OF
18 REPAYMENT OF EACH LOAN, AND THE RATE OF INTEREST TO BE CHARGED ON
19 LOANS. THE AVERAGE RATE OF INTEREST CHARGED ON LOANS MADE IN ANY
20 CALENDAR YEAR SHALL EQUAL OR EXCEED THE AVERAGE BOOK YIELD EARNED
21 BY THE STATE SCHOOL AID FUND IN THE MOST RECENTLY COMPLETED
22 CALENDAR YEAR QUARTER. PAYMENTS OF THE PRINCIPAL OF AND INTEREST ON
23 ALL LOANS SHALL BE RETURNED TO THE STATE SCHOOL AID FUND .

24 (3) THE STATE TREASURER MAY INCLUDE, AS PART OF A LOAN
25 AGREEMENT WITH ANY QUALIFIED SCHOOL DISTRICT, WHATEVER TERMS AND
26 CONDITIONS THE STATE TREASURER CONSIDERS NECESSARY TO PROTECT THE
27 PRINCIPAL OF THE STATE SCHOOL AID FUND AGAINST LOSS .

1 (4) THE GENERAL ASSEMBLY SHALL APPROPRIATE MONEY FROM THE
2 GENERAL FUND TO RESTORE TO THE STATE SCHOOL AID FUND, TOGETHER WITH
3 INTEREST, MONEY THAT IS LOST BY REASON OF THE FAILURE OF ANY SCHOOL
4 DISTRICT OR INTERMEDIATE SCHOOL DISTRICT TO REPAY A LOAN MADE UNDER
5 THIS SECTION.

6 (5) ADMINISTRATIVE COSTS THAT WILL BE INCURRED BY A QUALIFIED
7 SCHOOL DISTRICT AS A RESULT OF THE RENEWABLE ENERGY PROJECT OR
8 ENERGY EFFICIENCY PROJECT THAT IS THE BASIS FOR A LOAN MAY BE
9 INCLUDED IN THE AMOUNT OF THE LOAN.

10 SEC. 1274I. (1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION
11 (2), THE BOARD OF A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL
12 DISTRICT; GOVERNING BODY OF A NONPUBLIC SCHOOL; OR BOARD OF
13 DIRECTORS OF A PUBLIC SCHOOL ACADEMY SHALL ENSURE THAT THE SCHOOL
14 DISTRICT, INTERMEDIATE SCHOOL DISTRICT, NONPUBLIC SCHOOL, OR PUBLIC
15 SCHOOL ACADEMY DOES NOT PURCHASE, STORE, OR USE FREE FLOWING
16 ELEMENTAL MERCURY FOR ANY EXPERIMENT, DISPLAY, OR OTHER PURPOSE AND
17 DOES NOT PURCHASE, STORE, OR USE AN INSTRUMENT THAT CONTAINS
18 MERCURY, INCLUDING, BUT NOT LIMITED TO, A THERMOMETER, BAROMETER,
19 OR SPHYGMOMANOMETER, OR MANOMETER CONTAINING MERCURY.

20 (2) IF NO REASONABLY ACCEPTABLE, MERCURY-FREE ALTERNATIVE
21 EXISTS FOR AN INSTRUMENT USED BY THE SCHOOL DISTRICT, INTERMEDIATE
22 SCHOOL DISTRICT, NONPUBLIC SCHOOL, OR PUBLIC SCHOOL ACADEMY, THEN
23 THE SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, NONPUBLIC
24 SCHOOL, OR PUBLIC SCHOOL ACADEMY MAY USE THE INSTRUMENT THAT
25 CONTAINS THE LOWEST MERCURY CONTENT AVAILABLE ON THE MARKET.

26 (3) THE BOARD OF A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL
27 DISTRICT; GOVERNING BODY OF A NONPUBLIC SCHOOL; OR BOARD OF

1 DIRECTORS OF A PUBLIC SCHOOL ACADEMY SHALL ENSURE THAT THE SCHOOL
2 DISTRICT, INTERMEDIATE SCHOOL DISTRICT, NONPUBLIC SCHOOL, OR PUBLIC
3 SCHOOL ACADEMY DISPOSES OF MERCURY AND INSTRUMENTS CONTAINING
4 MERCURY IN COMPLIANCE WITH STATE AND FEDERAL LAW.

5 Enacting section 1. This amendatory act takes effect 90 days
6 after the date it is enacted into law.