

# AN ACT

To amend sections 133.20 and 307.041 of the Revised Code to require that the amount spent by counties on energy conservation measures be unlikely to exceed the amount saved in energy and operating costs over the average system life of the measures, and to require that financed measures be paid for within the lesser of their average system life or thirty years.

*Be it enacted by the General Assembly of the State of Ohio:*

SECTION 1. That sections 133.20 and 307.041 of the Revised Code be amended to read as follows:

Sec. 133.20. (A) This section applies to bonds that are general obligation Chapter 133. securities. If the bonds are payable as to principal by provision for annual installments, the period of limitations on their last maturity, referred to as their maximum maturity, shall be measured from a date twelve months prior to the first date on which provision for payment of principal is made. If the bonds are payable as to principal by provision for semiannual installments, the period of limitations on their last maturity shall be measured from a date six months prior to the first date on which provision for payment of principal is made.

(B) Bonds issued for the following permanent improvements or for permanent improvements for the following purposes shall have maximum maturities not exceeding the number of years stated:

(1) Fifty years:

(a) The clearance and preparation of real property for redevelopment as an urban redevelopment project;

(b) Acquiring, constructing, widening, relocating, enlarging, extending, and improving a publicly owned railroad or line of railway or a light or heavy rail rapid transit system, including related bridges, overpasses, underpasses, and tunnels, but not including rolling stock or equipment;

(c) Pursuant to section 307.675 of the Revised Code, constructing or repairing a bridge using long life expectancy material for the bridge deck,

and purchasing, installing, and maintaining any performance equipment to monitor the physical condition of a bridge so constructed or repaired. Additionally, the average maturity of the bonds shall not exceed the expected useful life of the bridge deck as determined by the county engineer under that section.

(2) Forty years:

(a) General waterworks or water system permanent improvements, including buildings, water mains, or other structures and facilities in connection therewith;

(b) Sewers or sewage treatment or disposal works or facilities, including fireproof buildings or other structures in connection therewith;

(c) Storm water drainage, surface water, and flood prevention facilities.

(3) Thirty-five years:

(a) An arena, a convention center, or a combination of an arena and convention center under section 307.695 of the Revised Code;

(b) Sports facilities.

(4) Thirty years:

(a) Municipal recreation, excluding recreational equipment;

(b) Urban redevelopment projects;

(c) Acquisition of real property;

(d) Street or alley lighting purposes or relocating overhead wires, cables, and appurtenant equipment underground.

(5) Twenty years: constructing, reconstructing, widening, opening, improving, grading, draining, paving, extending, or changing the line of roads, highways, expressways, freeways, streets, sidewalks, alleys, or curbs and gutters, and related bridges, viaducts, overpasses, underpasses, grade crossing eliminations, service and access highways, and tunnels.

(6) Fifteen years:

(a) Resurfacing roads, highways, streets, or alleys;

(b) Alarm, telegraph, or other communications systems for police or fire departments or other emergency services;

(c) Passenger buses used for mass transportation;

(d) Energy conservation measures as authorized by section 133.06 of the Revised Code.

(7) Ten years:

(a) Water meters;

(b) Fire department apparatus and equipment;

(c) Road rollers and other road construction and servicing vehicles;

(d) Furniture, equipment, and furnishings;

(e) Landscape planting and other site improvements;

(f) Playground, athletic, and recreational equipment and apparatus;

(g) Energy conservation measures as authorized by section ~~307.041~~, 505.264, or 717.02 of the Revised Code.

(8) Five years: New motor vehicles other than those described in any other division of this section and those for which provision is made in other provisions of the Revised Code.

(C) Bonds issued for any permanent improvements not within the categories set forth in division (B) of this section shall have maximum maturities of from five to thirty years as the fiscal officer estimates is the estimated life or period of usefulness of those permanent improvements. Bonds issued under section 133.51 of the Revised Code for purposes other than permanent improvements shall have the maturities, not to exceed forty years, that the taxing authority shall specify. Bonds issued for energy conservation measures under section 307.041 of the Revised Code shall have maximum maturities not exceeding the lesser of the average life of the energy conservation measures as detailed in the energy conservation report prepared under that section or thirty years.

(D) Securities issued under section 505.265 or 717.07 of the Revised Code shall mature not later than December 31, 2035.

(E) A securities issue for one purpose may include permanent improvements within two or more categories under divisions (B) and (C) of this section. The maximum maturity of such a bond issue shall not exceed the average number of years of life or period of usefulness of the permanent improvements as measured by the weighted average of the amounts expended or proposed to be expended for the categories of permanent improvements.

Sec. 307.041. (A) As used in this section, "energy conservation measure" means an installation or modification of an installation in, or remodeling of, an existing building, to reduce energy consumption. ~~It~~ "Energy conservation measure" includes the following:

(1) Insulation of the building structure and of systems within the building;

(2) Storm windows and doors, multiglazed windows and doors, heat-absorbing or heat-reflective glazed and coated window and door systems, additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption;

(3) Automatic energy control systems;

(4) Heating, ventilating, or air conditioning system modifications or replacements;

(5) Caulking and weatherstripping;

(6) Replacement or modification of lighting fixtures to increase the energy efficiency of the system without increasing the overall illumination of a facility, unless such an increase in illumination is necessary to conform to the applicable state or local building code for the proposed lighting system;

(7) Energy recovery systems;

(8) Cogeneration systems that produce steam or forms of energy such as heat, as well as electricity, for use primarily within a building or complex of buildings;

(9) Acquiring, constructing, furnishing, equipping, improving the site of, and otherwise improving a central utility plant to provide heating and cooling services to a building or buildings together with distribution piping and ancillary distribution controls, equipment, and related facilities from the central utility plant to the building or buildings;

(10) Any other modification, installation, or remodeling approved by the board of county commissioners as an energy conservation measure.

(B) For the purpose of evaluating county buildings for energy conservation measures, a county may contract with an architect, professional engineer, energy services company, contractor, or other person experienced in the design and implementation of energy conservation measures for a an energy conservation report that analyzes. The report shall include all of the following:

(1) Analyses of the buildings' energy needs and presents recommendations for building installations, modifications of existing installations, or building remodeling that would significantly reduce energy consumption in the buildings owned by that county. The report shall include estimates;

(2) Estimates of all costs of such those installations, those modifications, or that remodeling, including costs of design, engineering, installation, maintenance, and repairs, and estimates;

(3) Estimates of the amounts by which energy consumption could be reduced;

(4) The interest rate used to estimate the costs of any energy conservation measures that are to be financed;

(5) The average system life of the energy conservation measures;

(6) Estimates of the likely savings that will result from the reduction in energy consumption over the average system life of the energy conservation measure, including the methods used to estimate the savings;

(7) A certification under the seal of a registered professional engineer that the energy conservation report uses reasonable methods of analysis and

estimation.

(C)(1) A county desiring to implement energy conservation measures may proceed under either of the following methods:

~~(1)(a)~~ Using a report or any part of a an energy conservation report prepared under division (B) of this section, advertise for bids and, except as otherwise provided in this section, comply with sections 307.86 to 307.92 of the Revised Code;

~~(2)(b)~~ Notwithstanding sections 307.86 to 307.92 of the Revised Code, request proposals from at least three vendors for the implementation of energy conservation measures. A request for proposals shall require the installer that is awarded a contract under division (C)(2)(b) of this section to prepare an energy conservation report in accordance with division (B) of this section. Prior to sending any installer of energy conservation measures a copy of any ~~such~~ request for proposals, the county shall advertise its intent to request proposals for the installation of energy conservation measures in a newspaper of general circulation in the county once a week for two consecutive weeks. The notice shall state that the county intends to request proposals for the installation of energy conservation measures; indicate the date, which shall be at least ten days after the second publication, on which the request for proposals will be mailed to installers of energy conservation measures; and state that any installer of energy conservation measures interested in receiving the request for ~~proposal~~ proposals shall submit written notice to the county not later than noon of the day on which the request for ~~proposal~~ proposals will be mailed.

~~(2)(a)~~ Upon receiving ~~the proposals~~ bids under division (C)(1)(a) of this section, the county shall analyze them and select the ~~proposal or proposals~~ lowest and best bid or bids most likely to result in the greatest energy savings considering the cost of the project and the county's ability to pay for the improvements with current revenues or by financing the improvements. ~~The~~

(b) Upon receiving proposals under division (C)(1)(b) of this section, the county shall analyze the proposals and the installers' qualifications and select the most qualified installer to prepare an energy conservation report in accordance with division (B) of this section. After receipt and review of the energy conservation report, the county may award a contract to the selected installer to install the energy conservation measures that are most likely to result in the greatest energy savings considering the cost of the project and the county's ability to pay for the improvements with current revenues or by financing the improvements.

(c) The awarding of a contract to install energy conservation measures

under division (C)(2)(a) or (b) of this section shall be conditioned upon a finding by the contracting authority that the amount of money spent on the energy savings conservation measures is not likely to exceed the amount of money the county would save in energy ~~and~~ operating, maintenance, and avoided capital costs over ~~ten years or a lesser period as determined by the contracting authority or, in the case of contracts for cogeneration systems, over five years or a lesser period as determined by the contracting authority~~ average system life of the energy conservation measures as specified in the energy conservation report. In making such a finding, the contracting authority may take into account increased costs due to inflation as shown in the energy conservation report. Nothing in this ~~section~~ division prohibits a county from rejecting all bids or proposals under division (C)(1)(a) or (b) of this section or from selecting more than one bid or proposal.

(D) A board of county commissioners may enter into an installment payment contract for the purchase and installation of energy conservation measures. ~~Those provisions~~ Provisions of such installment payment contracts that deal with interest charges and financing terms shall not be subject to the competitive bidding requirements of section 307.86 of the Revised Code, and shall be on the following terms:

(1) Not less than ~~one-tenth~~ a specified percentage, as determined and approved by the board of county commissioners, of the costs of the contract shall be paid within two years from the date of purchase.

(2) The remaining balance of the costs of the contract shall be paid within ~~ten years from the date of purchase or, in the case of contracts for cogeneration systems, within five years from~~ the lesser of the date of purchase average system life of the energy conservation measures as specified in the energy conservation report or thirty years.

~~Unless otherwise approved by a resolution of the board, an installment payment contract entered into by a board of county commissioners under this section shall require the board to contract in accordance with section 307.86 of the Revised Code for the installation, modification, or remodeling of energy conservation measures pursuant to this section.~~

(E) The board of county commissioners may issue the notes of the county specifying the terms of ~~the~~ a purchase of energy conservation measures under this section and securing ~~the~~ any deferred payments provided for in division (D) of this section. ~~The notes shall be payable at the times provided and bearing bear~~ interest at a rate not exceeding the rate determined as provided in section 9.95 of the Revised Code. The notes may contain an option for prepayment and shall not be subject to Chapter 133. of the Revised Code. Revenues derived from local taxes or otherwise; for the

purpose of conserving energy or for defraying the current operating expenses of the county, may be pledged and applied to the payment of interest and the retirement of ~~such~~ the notes. The notes may be sold at private sale or given to the contractor under ~~the~~ an installment payment contract authorized by division (D) of this section.

(F) Debt incurred under this section shall not be included in the calculation of the net indebtedness of a county under section 133.07 of the Revised Code.

SECTION 2. That existing sections 133.20 and 307.041 of the Revised Code are hereby repealed.

SECTION 3. The amendments to sections 133.20 and 307.041 of the Revised Code by this act apply to any proceedings commenced after the effective date of this act and, so far as the provisions thereof support the actions taken, to any proceedings pending or in progress on, or completed prior to, the effective date of this act. The authority provided by sections 133.20 and 307.041 of the Revised Code as amended by this act is supplemental to and not in derogation of any similar authority provided by, derived from, or implied by any law, the Constitution, or any charter, resolution, or ordinance, and no inference shall be drawn to negate the authority thereunder by reason of the express provisions contained in sections 133.20 and 307.041 of the Revised Code as amended by this act.

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*Speaker* \_\_\_\_\_ *of the House of Representatives.*

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*President* \_\_\_\_\_ *of the Senate.*

Passed \_\_\_\_\_, 20\_\_\_\_

Approved \_\_\_\_\_, 20\_\_\_\_

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*Governor.*

Am. H. B. No. 295

127th G.A.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

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*Director, Legislative Service Commission.*

Filed in the office of the Secretary of State at Columbus, Ohio, on the \_\_\_\_ day of \_\_\_\_\_, A. D. 20\_\_\_\_.

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*Secretary of State.*

File No. \_\_\_\_\_ Effective Date \_\_\_\_\_