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Representative Wagoner

**Cosponsors: Representatives Ujvagi, Szollosi, Peterson, Latta, Stebelton,
Brown, Uecker, Chandler, McGregor, J., Combs, Celeste, Yuko, Fende,
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Patton, Sayre, Setzer, Stewart, J., Williams, B., Williams, S., Zehringer**

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A B I L L

To amend sections 133.20 and 307.041 of the Revised 1
Code to require that the amount spent by counties 2
on energy conservation measures be unlikely to 3
exceed the amount saved in energy and operating 4
costs over the average system life of the 5
measures, and to require that financed measures be 6
paid for within the lesser of their average system 7
life or thirty years. 8

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 133.20 and 307.041 of the Revised 9
Code be amended to read as follows: 10

Sec. 133.20. (A) This section applies to bonds that are 11
general obligation Chapter 133. securities. If the bonds are 12
payable as to principal by provision for annual installments, the 13
period of limitations on their last maturity, referred to as their 14
maximum maturity, shall be measured from a date twelve months 15

prior to the first date on which provision for payment of 16
principal is made. If the bonds are payable as to principal by 17
provision for semiannual installments, the period of limitations 18
on their last maturity shall be measured from a date six months 19
prior to the first date on which provision for payment of 20
principal is made. 21

(B) Bonds issued for the following permanent improvements or 22
for permanent improvements for the following purposes shall have 23
maximum maturities not exceeding the number of years stated: 24

(1) Fifty years: 25

(a) The clearance and preparation of real property for 26
redevelopment as an urban redevelopment project; 27

(b) Acquiring, constructing, widening, relocating, enlarging, 28
extending, and improving a publicly owned railroad or line of 29
railway or a light or heavy rail rapid transit system, including 30
related bridges, overpasses, underpasses, and tunnels, but not 31
including rolling stock or equipment; 32

(c) Pursuant to section 307.675 of the Revised Code, 33
constructing or repairing a bridge using long life expectancy 34
material for the bridge deck, and purchasing, installing, and 35
maintaining any performance equipment to monitor the physical 36
condition of a bridge so constructed or repaired. Additionally, 37
the average maturity of the bonds shall not exceed the expected 38
useful life of the bridge deck as determined by the county 39
engineer under that section. 40

(2) Forty years: 41

(a) General waterworks or water system permanent 42
improvements, including buildings, water mains, or other 43
structures and facilities in connection therewith; 44

(b) Sewers or sewage treatment or disposal works or 45

facilities, including fireproof buildings or other structures in connection therewith;	46 47
(c) Storm water drainage, surface water, and flood prevention facilities.	48 49
(3) Thirty-five years:	50
(a) An arena, a convention center, or a combination of an arena and convention center under section 307.695 of the Revised Code;	51 52 53
(b) Sports facilities.	54
(4) Thirty years:	55
(a) Municipal recreation, excluding recreational equipment;	56
(b) Urban redevelopment projects;	57
(c) Acquisition of real property;	58
(d) Street or alley lighting purposes or relocating overhead wires, cables, and appurtenant equipment underground.	59 60
(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.	61 62 63 64 65 66
(6) Fifteen years:	67
(a) Resurfacing roads, highways, streets, or alleys;	68
(b) Alarm, telegraph, or other communications systems for police or fire departments or other emergency services;	69 70
(c) Passenger buses used for mass transportation;	71
(d) Energy conservation measures as authorized by section 133.06 of the Revised Code.	72 73

(7) Ten years:	74
(a) Water meters;	75
(b) Fire department apparatus and equipment;	76
(c) Road rollers and other road construction and servicing vehicles;	77 78
(d) Furniture, equipment, and furnishings;	79
(e) Landscape planting and other site improvements;	80
(f) Playground, athletic, and recreational equipment and apparatus;	81 82
(g) Energy conservation measures as authorized by section 307.041 , 505.264, or 717.02 of the Revised Code.	83 84
(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.	85 86 87
(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. <u>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.</u>	88 89 90 91 92 93 94 95 96 97 98 99 100
(D) Securities issued under section 505.265 or 717.07 of the Revised Code shall mature not later than December 31, 2035.	101 102
(E) A securities issue for one purpose may include permanent	103

improvements within two or more categories under divisions (B) and 104
(C) of this section. The maximum maturity of such a bond issue 105
shall not exceed the average number of years of life or period of 106
usefulness of the permanent improvements as measured by the 107
weighted average of the amounts expended or proposed to be 108
expended for the categories of permanent improvements. 109

Sec. 307.041. (A) As used in this section, "energy 110
conservation measure" means an installation or modification of an 111
installation in, or remodeling of, an existing building, to reduce 112
energy consumption. ~~It~~ "Energy conservation measure" includes the 113
following: 114

(1) Insulation of the building structure and of systems 115
within the building; 116

(2) Storm windows and doors, multiglazed windows and doors, 117
heat-absorbing or heat-reflective glazed and coated window and 118
door systems, additional glazing, reductions in glass area, and 119
other window and door system modifications that reduce energy 120
consumption; 121

(3) Automatic energy control systems; 122

(4) Heating, ventilating, or air conditioning system 123
modifications or replacements; 124

(5) Caulking and weatherstripping; 125

(6) Replacement or modification of lighting fixtures to 126
increase the energy efficiency of the system without increasing 127
the overall illumination of a facility, unless such an increase in 128
illumination is necessary to conform to the applicable state or 129
local building code for the proposed lighting system; 130

(7) Energy recovery systems; 131

(8) Cogeneration systems that produce steam or forms of 132
energy such as heat, as well as electricity, for use primarily 133

within a building or complex of buildings; 134

(9) Acquiring, constructing, furnishing, equipping, improving 135
the site of, and otherwise improving a central utility plant to 136
provide heating and cooling services to a building or buildings 137
together with distribution piping and ancillary distribution 138
controls, equipment, and related facilities from the central 139
utility plant to the building or buildings; 140

(10) Any other modification, installation, or remodeling 141
approved by the board of county commissioners as an energy 142
conservation measure. 143

(B) For the purpose of evaluating county buildings for energy 144
conservation measures, a county may contract with an architect, 145
professional engineer, energy services company, contractor, or 146
other person experienced in the design and implementation of 147
energy conservation measures for ~~a~~ an energy conservation report 148
~~that analyzes.~~ The report shall include all of the following: 149

(1) Analyses of the buildings' energy needs and ~~presents~~ 150
recommendations for building installations, modifications of 151
existing installations, or building remodeling that would 152
significantly reduce energy consumption in the buildings owned by 153
that county. ~~The report shall include estimates;~~ 154

(2) Estimates of all costs of ~~such~~ those installations, those 155
modifications, or that remodeling, including costs of design, 156
engineering, installation, maintenance, and repairs, ~~and~~ 157
estimates; 158

(3) Estimates of the amounts by which energy consumption 159
could be reduced; 160

(4) The interest rate used to estimate the costs of any 161
energy conservation measures that are to be financed; 162

(5) The average system life of the energy conservation 163

<u>measures;</u>	164
<u>(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;</u>	165 166 167 168
<u>(7) A certification under the seal of a registered professional engineer that the energy conservation report uses reasonable methods of analysis and estimation.</u>	169 170 171
(C)(1) A county desiring to implement energy conservation measures may proceed under either of the following methods:	172 173
(1) (a) Using a report or any part of a <u>an energy conservation</u> report prepared under division (B) of this section, advertise for bids and, <u>except as otherwise provided in this section,</u> comply with sections 307.86 to 307.92 of the Revised Code;	174 175 176 177
(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. <u>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.</u> Prior to sending any installer of energy conservation measures a copy of any such request <u>for proposals,</u> 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	178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194

receiving the request for ~~proposal~~ proposals shall submit written 195
notice to the county not later than noon of the day on which the 196
request for ~~proposal~~ proposals will be mailed. 197

(2)(a) Upon receiving the ~~proposals~~ bids under division 198
(C)(1)(a) of this section, the county shall analyze them and 199
select the ~~proposal or proposals~~ lowest and best bid or bids most 200
likely to result in the greatest energy savings considering the 201
cost of the project and the county's ability to pay for the 202
improvements with current revenues or by financing the 203
improvements. ~~The~~ 204

(b) Upon receiving proposals under division (C)(1)(b) of this 205
section, the county shall analyze the proposals and the 206
installers' qualifications and select the most qualified installer 207
to prepare an energy conservation report in accordance with 208
division (B) of this section. After receipt and review of the 209
energy conservation report, the county may award a contract to the 210
selected installer to install the energy conservation measures 211
that are most likely to result in the greatest energy savings 212
considering the cost of the project and the county's ability to 213
pay for the improvements with current revenues or by financing the 214
improvements. 215

(c) The awarding of a contract to install energy conservation 216
measures under division (C)(2)(a) or (b) of this section shall be 217
conditioned upon a finding by the contracting authority that the 218
amount of money spent on the energy ~~savings~~ conservation measures 219
is not likely to exceed the amount of money the county would save 220
in energy and, operating, maintenance, and avoided capital costs 221
over ~~ten years or a lesser period as determined by the contracting~~ 222
~~authority or, in the case of contracts for cogeneration systems,~~ 223
~~ever five years or a lesser period as determined by the~~ 224
~~contracting authority~~ average system life of the energy 225
conservation measures as specified in the energy conservation 226

report. In making such a finding, the contracting authority may 227
take into account increased costs due to inflation as shown in the 228
energy conservation report. Nothing in this ~~section~~ division 229
prohibits a county from rejecting all bids or proposals under 230
division (C)(1)(a) or (b) of this section or from selecting more 231
than one bid or proposal. 232

(D) A board of county commissioners may enter into an 233
installment payment contract for the purchase and installation of 234
energy conservation measures. ~~Those provisions~~ Provisions of such 235
installment payment contracts that deal with interest charges and 236
financing terms shall not be subject to the competitive bidding 237
requirements of section 307.86 of the Revised Code, and shall be 238
on the following terms: 239

(1) Not less than ~~one-tenth~~ a specified percentage, as 240
determined and approved by the board of county commissioners, of 241
the costs of the contract shall be paid within two years from the 242
date of purchase. 243

(2) The remaining balance of the costs of the contract shall 244
be paid within ~~ten years from the date of purchase or, in the case~~ 245
~~of contracts for cogeneration systems, within five years from the~~ 246
lesser of the date of purchase average system life of the energy 247
conservation measures as specified in the energy conservation 248
report or thirty years. 249

~~Unless otherwise approved by a resolution of the board, an~~ 250
~~installment payment contract entered into by a board of county~~ 251
~~commissioners under this section shall require the board to~~ 252
~~contract in accordance with section 307.86 of the Revised Code for~~ 253
~~the installation, modification, or remodeling of energy~~ 254
~~conservation measures pursuant to this section.~~ 255

(E) The board of county commissioners may issue the notes of 256
the county specifying the terms of the a purchase of energy 257

conservation measures under this section and securing ~~the~~ any 258
deferred payments provided for in division (D) of this section~~7~~. 259
The notes shall be payable at the times provided and ~~bearing~~ bear 260
interest at a rate not exceeding the rate determined as provided 261
in section 9.95 of the Revised Code. The notes may contain an 262
option for prepayment and shall not be subject to Chapter 133. of 263
the Revised Code. Revenues derived from local taxes or otherwise~~7~~ 264
for the purpose of conserving energy or for defraying the current 265
operating expenses of the county~~7~~ may be pledged and applied to 266
the payment of interest and the retirement of ~~such~~ the notes. The 267
notes may be sold at private sale or given to the contractor under 268
~~the~~ an installment payment contract authorized by division (D) of 269
this section. 270

(F) Debt incurred under this section shall not be included in 271
the calculation of the net indebtedness of a county under section 272
133.07 of the Revised Code. 273

Section 2. That existing sections 133.20 and 307.041 of the 274
Revised Code are hereby repealed. 275

Section 3. The amendments to sections 133.20 and 307.041 of 276
the Revised Code by this act apply to any proceedings commenced 277
after the effective date of this act and, so far as the provisions 278
thereof support the actions taken, to any proceedings pending or 279
in progress on, or completed prior to, the effective date of this 280
act. The authority provided by sections 133.20 and 307.041 of the 281
Revised Code as amended by this act is supplemental to and not in 282
derogation of any similar authority provided by, derived from, or 283
implied by any law, the Constitution, or any charter, resolution, 284
or ordinance, and no inference shall be drawn to negate the 285
authority thereunder by reason of the express provisions contained 286
in sections 133.20 and 307.041 of the Revised Code as amended by 287
this act. 288