

Subdivision 1. **RULES.** The commissioner of public safety, ~~in consultation with the school bus safety advisory committee,~~ shall adopt rules governing the operation of school buses used for transportation of school children, when owned or operated by a school or privately owned and operated under a contract with a school, and these rules must be made a part of that contract by reference. Each school, its officers and employees, and each person employed under the contract is subject to these rules.

Sec. 19. Minnesota Statutes 2002, section 169.4501, subdivision 3, is amended to read:

Subd. 3. **INSPECTION MANUAL.** The department of public safety shall develop a school bus inspection manual based on the national standards adopted in subdivision 1 and Minnesota standards adopted in sections 169.4502 to 169.4504. The Minnesota state patrol shall use the manual as the basis for inspecting buses as provided in section 169.451. ~~When appropriate, the school bus safety advisory committee shall recommend to the education committees of the legislature modifications to the standards upon which the school bus inspection manual is based.~~ The department of public safety has no rulemaking authority to alter the standards upon which school buses are inspected.

Sec. 20. Minnesota Statutes 2002, section 169.4501, subdivision 4, is amended to read:

Subd. 4. **VARIANCE.** The commissioner of public safety may grant a variance to any of the school bus standards to accommodate testing of new equipment related to school buses. A variance from the standards must be for the sole purpose of testing and evaluating new equipment for increased safety, efficiency, and economy of pupil transportation. The variance expires 18 months from the date on which it is granted unless the commissioner specifies an earlier expiration date. ~~The school bus safety advisory committee shall annually review all variances that are granted under this subdivision and consider whether to recommend modifications to the Minnesota school bus equipment standards based on the variances.~~

Sec. 21. **REPEALER.**

(a) Minnesota Statutes 2002, section 126C.55, subdivision 5, is repealed.

(b) Laws 2001, First Special Session chapter 3, article 4, sections 1 and 2; and Laws 2001, First Special Session chapter 6, article 2, section 52, are repealed.

Presented to the governor May 27, 2003

Signed by the governor May 30, 2003, 3:44 p.m.

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## CHAPTER 10—S.F.No. 27

*An act relating to municipalities; extending the maximum length of guaranteed energy*

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*savings contracts from ten to 15 years; amending Minnesota Statutes 2002, section 471.345, subdivision 13.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2002, section 471.345, subdivision 13, is amended to read:

Subd. 13. **ENERGY EFFICIENCY PROJECTS.** The following definitions apply to this subdivision.

(a) "Energy conservation measure" means a training program or facility alteration designed to reduce energy consumption or operating costs and includes:

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

(2) storm windows and doors, caulking or weatherstripping, 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) replacement or modifications of lighting fixtures to increase the energy efficiency of the lighting system without increasing the overall illumination of a facility, unless an increase in illumination is necessary to conform to the applicable state or local building code for the lighting system after the proposed modifications are made;

(6) energy recovery systems;

(7) 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;

(8) energy conservation measures that provide long-term operating cost reductions.

(b) "Guaranteed energy savings contract" means a contract for the evaluation and recommendations of energy conservation measures, and for one or more energy conservation measures. The contract must provide that all payments, except obligations on termination of the contract before its expiration, are to be made over time, but not to exceed ~~ten~~ 15 years from the date of final installation, and the savings are guaranteed to the extent necessary to make payments for the systems.

(c) "Qualified provider" means a person or business experienced in the design, implementation, and installation of energy conservation measures. A qualified provider to whom the contract is awarded shall give a sufficient bond to the municipality for its faithful performance.

New language is indicated by underline, deletions by ~~strikeout~~.

Notwithstanding any law to the contrary, a municipality may enter into a guaranteed energy savings contract with a qualified provider to significantly reduce energy or operating costs.

Before entering into a contract under this subdivision, the municipality shall provide published notice of the meeting in which it proposes to award the contract, the names of the parties to the proposed contract, and the contract's purpose.

Before installation of equipment, modification, or remodeling, the qualified provider shall first issue a report, summarizing estimates of all costs of installations, modifications, or remodeling, including costs of design, engineering, installation, maintenance, repairs, or debt service, and estimates of the amounts by which energy or operating costs will be reduced.

A guaranteed energy savings contract that includes a written guarantee that savings will meet or exceed the cost of energy conservation measures is not subject to competitive bidding requirements of section 471.345 or other law or city charter. The contract is not subject to section 123B.52.

A municipality may enter into a guaranteed energy savings contract with a qualified provider if, after review of the report, it finds that the amount it would spend on the energy conservation measures recommended in the report is not likely to exceed the amount to be saved in energy and operation costs over ~~ten~~ 15 years from the date of installation if the recommendations in the report were followed, and the qualified provider provides a written guarantee that the energy or operating cost savings will meet or exceed the costs of the system. The guaranteed energy savings contract may provide for payments over a period of time, not to exceed ~~ten~~ 15 years.

A municipality may enter into an installment payment contract for the purchase and installation of energy conservation measures. The contract must provide for payments of not less than ~~one-tenth~~ 1/15 of the price to be paid within two years from the date of the first operation, and the remaining costs to be paid monthly, not to exceed a ~~ten-year~~ 15-year term from the date of the first operation.

Guaranteed energy savings contracts may extend beyond the fiscal year in which they become effective. The municipality shall include in its annual appropriations measure for each later fiscal year any amounts payable under guaranteed energy savings contracts during the year. Failure of a municipality to make such an appropriation does not affect the validity of the guaranteed energy savings contract or the municipality's obligations under the contracts.

#### Sec. 2. **EFFECTIVE DATE.**

This act is effective the day following final enactment.

Presented to the governor May 27, 2003

Signed by the governor May 30, 2003, 3:56 p.m.

New language is indicated by underline, deletions by ~~strikeout~~.