

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 625**

Introduced by Larson, 40.

Read first time January 18, 2017

Committee: Urban Affairs

1 A BILL FOR AN ACT relating to the Property Assessed Clean Energy Act; to  
2 amend sections 18-3201, 18-3202, 18-3203, 18-3204, 18-3205, 18-3206,  
3 18-3207, 18-3208, 18-3209, 18-3210, and 18-3211, Revised Statutes  
4 Cumulative Supplement, 2016; to redefine terms; to change provisions  
5 relating to the creation of clean energy assessment districts,  
6 annual assessment collection, and reporting requirements; to  
7 eliminate a requirement relating to ongoing measurements for certain  
8 projects; to harmonize provisions; to provide a duty for the Revisor  
9 of Statutes; to repeal the original sections; and to declare an  
10 emergency.

11 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 18-3201, Revised Statutes Cumulative Supplement,  
2 2016, is amended to read:

3 ~~18-3201~~ Sections 1 to 11 of this act ~~18-3201 to 18-3211~~ shall be  
4 known and may be cited as the Property Assessed Clean Energy Act.

5 Sec. 2. Section 18-3202, Revised Statutes Cumulative Supplement,  
6 2016, is amended to read:

7 ~~18-3202~~ The Legislature finds that:

8 (1) Energy efficiency and the use of renewable energy are important  
9 for preserving the health and economic well-being of Nebraska's citizens.  
10 Using less energy decreases the cost of living and keeps the cost of  
11 public power low by delaying the need for additional power plants. By  
12 building the market for energy efficiency and renewable energy products,  
13 new jobs will be created for Nebraskans in the energy efficiency and  
14 renewable energy job sectors;

15 (2) To further these goals, the state should promote energy  
16 efficiency improvements and renewable energy systems;

17 (3) The upfront costs for energy efficiency improvements and  
18 renewable energy systems prohibit many property owners from making  
19 improvements. Therefore, it is necessary to authorize municipalities to  
20 implement an alternative financing method through the creation of clean  
21 energy assessment districts; and

22 (4) A public purpose will be served by providing municipalities with  
23 the authority to finance the installation of energy efficiency  
24 improvements and renewable energy systems through the creation of clean  
25 energy assessment districts.

26 Sec. 3. Section 18-3203, Revised Statutes Cumulative Supplement,  
27 2016, is amended to read:

28 ~~18-3203~~ For purposes of the Property Assessed Clean Energy Act:

29 (1) Assessment contract means a contract entered into between a  
30 municipality, a property owner, and, if applicable, a third-party lender  
31 under which the municipality agrees to provide financing for an energy

1 project in exchange for a property owner's agreement to pay an annual  
2 assessment for a period not to exceed the weighted average useful life of  
3 the energy project;

4 (2) Clean energy assessment district means a district created by a  
5 municipality to provide financing for energy projects;

6 (3) Energy efficiency improvement means any acquisition,  
7 installation, or modification benefiting publicly or privately owned  
8 property that is designed to reduce the electric, gas, water, or other  
9 utility demand or consumption of the buildings on or to be constructed on  
10 such property or to promote the efficient and effective management of  
11 natural resources or storm water, including, but not limited to:

12 (a) Insulation in walls, roofs, floors, foundations, or heating and  
13 cooling distribution systems;

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

18 (c) Automated energy control systems;

19 (d) Heating, ventilating, or air conditioning and distribution  
20 system modifications or replacements;

21 (e) Caulking, weatherstripping, and air sealing;

22 (f) Replacement or modification of lighting fixtures to reduce the  
23 energy use of the lighting system;

24 (g) Energy recovery systems;

25 (h) Daylighting systems;

26 (i) Installation or upgrade of electrical wiring or outlets to  
27 charge a motor vehicle that is fully or partially powered by electricity;

28 (j) Facilities providing for water conservation or pollutant  
29 control;

30 (k) Roofs designed to reduce energy consumption or support  
31 additional loads necessitated by other energy efficiency improvements;

1 (l) Installation of energy-efficient fixtures, including, but not  
2 limited to, water heating systems, escalators, and elevators;

3 (m) Installation, replacement, or modification of agricultural  
4 machinery;

5 (n) ~~(m)~~ Energy efficiency related items so long as the cost of the  
6 energy efficiency related items financed by the municipality does not  
7 exceed twenty-five percent of the total cost of the energy project; and

8 (o) ~~(n)~~ Any other installation or modification of equipment,  
9 devices, or materials approved as a utility cost-saving measure by the  
10 municipality;

11 (4) Energy efficiency related item means any repair, replacement,  
12 improvement, or modification to real property that is necessary or  
13 desirable in conjunction with an energy efficiency improvement,  
14 including, but not limited to, structural support improvements and the  
15 repair or replacement of any building components, paved surfaces, or  
16 fixtures disrupted or altered by the installation of an energy efficiency  
17 improvement;

18 (5) Energy project means the installation or modification of an  
19 energy efficiency improvement or the acquisition, installation, or  
20 improvement of a renewable energy system;

21 (6) Municipality means any county, city, or village in this state;

22 (7) Qualifying property means any of the following types of property  
23 located within a municipality:

24 (a) Agricultural property;

25 (b) ~~(a)~~ Commercial property, including multifamily residential  
26 property comprised of more than four dwelling units;

27 (c) ~~(b)~~ Industrial property; or

28 (d) ~~(e)~~ Single-family residential property, which may include up to  
29 four dwelling units;

30 (8)(a) Renewable energy resource means a resource that naturally  
31 replenishes over time and that minimizes the output of toxic material in

1 the conversion to energy. Renewable energy resource includes, but is not  
2 limited to, the following:

3 (i) Nonhazardous biomass;

4 (ii) Solar and solar thermal energy;

5 (iii) Wind energy;

6 (iv) Geothermal energy;

7 (v) Methane gas captured from a landfill or elsewhere;

8 (vi) Photovoltaic systems; and

9 (vii) Cogeneration and trigeneration systems; and

10 (b) Renewable energy resource does not include petroleum, nuclear  
11 power, natural gas, coal, or hazardous biomass; and

12 (9) Renewable energy system means a fixture, product, device, or  
13 interacting group of fixtures, products, or devices on the customer's  
14 side of the meter that uses one or more renewable energy resources to  
15 generate electricity. Renewable energy system includes a biomass stove  
16 but does not include an incinerator.

17 Sec. 4. Section 18-3204, Revised Statutes Cumulative Supplement,  
18 2016, is amended to read:

19 ~~18-3204~~ (1) Pursuant to the procedures provided in this section, a  
20 municipality may, from time to time, create one or more clean energy  
21 assessment districts. Such districts may be separate, overlapping, or  
22 coterminous and may be created anywhere within the municipality, except  
23 that a county shall not create a district that includes any area within  
24 the corporate boundaries of any city or village located in whole or in  
25 part within such county. The governing body of the municipality shall be  
26 the governing body for any district so created.

27 (2) Prior to creating any clean energy assessment district, the  
28 municipality shall hold a public hearing at which the public may comment  
29 on the creation of such district. Notice of the public hearing shall be  
30 given by publication in a legal newspaper in or of general circulation in  
31 the municipality at least ten days prior to the hearing.

1 (3) After the public hearing, the municipality may create a clean  
2 energy assessment district by ordinance or, for counties, by resolution.  
3 The ordinance or resolution shall include:

4 (a) A finding that the financing of energy projects is a valid  
5 public purpose;

6 (b) A contract form to be used for assessment contracts between the  
7 municipality, the owner of the qualifying property, and, if applicable, a  
8 third-party lender governing the terms and conditions of financing and  
9 annual assessments;

10 (c) Identification of an official authorized to enter into  
11 assessment contracts on behalf of the municipality;

12 (d) An application process and eligibility requirements for  
13 financing energy projects;

14 (e) An explanation of how annual assessments will be made and  
15 collected;

16 (f) For energy projects involving residential property, a  
17 requirement that any interest rate on assessment installments must be a  
18 fixed rate;

19 (g) For energy projects involving residential property, a  
20 requirement that the repayment period for assessments must be according  
21 to a fixed repayment schedule;

22 (h) Information regarding the following, to the extent known, or  
23 procedures to determine the following in the future:

24 (i) Provisions for an adequate debt service reserve fund created  
25 under section 9 of this act ~~18-3209~~, if applicable;

26 (ii) Provisions for an adequate loss reserve fund created under  
27 section 8 of this act ~~18-3208~~; and

28 (iii) Any application, administration, or other program fees to be  
29 charged to owners participating in the program that will be used to  
30 finance costs incurred by the municipality as a result of the program;

31 (i) A requirement that the term of the annual assessments not exceed

1 the weighted average useful life of the energy project paid for by the  
2 annual assessments;

3 (j) A requirement that any energy efficiency improvement that is not  
4 permanently affixed to the qualifying property upon which an annual  
5 assessment is imposed to repay the cost of such energy efficiency  
6 improvement must be conveyed with the qualifying property if a transfer  
7 of ownership of the qualifying property occurs;

8 (k) A requirement that, prior to the effective date of any contract  
9 that binds the purchaser to purchase qualifying property upon which an  
10 annual assessment is imposed, the owner shall provide notice to the  
11 purchaser that the purchaser assumes responsibility for payment of the  
12 annual assessment as provided in subdivision (3)(d) of section 5 of this  
13 act 18-3205;

14 (l) Provisions for marketing and participant education;

15 (m) A requirement that after the energy project is completed, the  
16 municipality shall obtain verification that the renewable energy system  
17 or energy efficiency improvement was properly installed and is operating  
18 as intended; and

19 ~~(n) For an energy project financed with more than two hundred fifty~~  
20 ~~thousand dollars in annual assessments, a requirement for ongoing~~  
21 ~~measurements that establish the savings realized by the record owner of~~  
22 ~~the qualifying property from the energy project; and~~

23 (n) ~~(o)~~ A requirement that the clean energy assessment district,  
24 with respect to single-family residential property, comply with the  
25 Property Assessed Clean Energy Act and with directives or guidelines  
26 issued by the Federal Housing Administration and the Federal Housing  
27 Finance Agency on or after January 1, 2016, relating to property assessed  
28 clean energy financing.

29 Sec. 5. Section 18-3205, Revised Statutes Cumulative Supplement,  
30 2016, is amended to read:

31 ~~18-3205~~ (1) After passage of an ordinance or resolution under

1 section 4 of this act 18-3204, a municipality may enter into an  
2 assessment contract with the record owner of qualifying property within a  
3 clean energy assessment district and, if applicable, with a third-party  
4 lender to finance an energy project on the qualifying property. The costs  
5 financed under the assessment contract may include the cost of materials  
6 and labor necessary for installation, permit fees, inspection fees,  
7 application and administrative fees, bank fees, and all other fees that  
8 may be incurred by the owner pursuant to the installation. The assessment  
9 contract shall provide for the repayment of all such costs through annual  
10 assessments upon the qualifying property benefited by the energy project.  
11 A municipality may not impose an annual assessment under the Property  
12 Assessed Clean Energy Act unless such annual assessment is part of an  
13 assessment contract entered into under this section.

14 (2) Before entering into an assessment contract with an owner and,  
15 if applicable, a third-party lender under this section, the municipality  
16 shall verify:

17 (a) In all cases involving qualifying property other than single-  
18 family residential property, that the owner has obtained an acknowledged  
19 and verified written consent and subordination agreement executed by each  
20 mortgage holder or trust deed beneficiary stating that the mortgagee or  
21 beneficiary consents to the imposition of the annual assessment and that  
22 the priority of the mortgage or trust deed is subordinated to the PACE  
23 lien established in section 6 of this act 18-3206. The consent and  
24 subordination agreement shall be in a form and substance acceptable to  
25 each mortgagee or beneficiary and shall be recorded in the office of the  
26 register of deeds of the county in which the qualifying property is  
27 located;

28 (b) That there are no delinquent taxes, special assessments, water  
29 or sewer charges, or any other assessments levied on the qualifying  
30 property; that there are no involuntary liens, including, but not limited  
31 to, construction liens, on the qualifying property; and that the owner of

1 the qualifying property is current on all debt secured by a mortgage or  
2 trust deed encumbering or otherwise securing the qualifying property;

3 (c) That there are no delinquent annual assessments on the  
4 qualifying property which were imposed to pay for a different energy  
5 project under the Property Assessed Clean Energy Act; and

6 (d) That there are sufficient resources to complete the energy  
7 project and that the estimated economic benefit, including, but not  
8 limited to, energy cost savings, maintenance cost savings, and other  
9 property operating savings expected from the energy project during the  
10 financing period, is equal to or greater than the principal cost of the  
11 energy project.

12 (3) Upon completion of the verifications required under subsection  
13 (2) of this section, an assessment contract may be executed by the  
14 municipality, the owner of the qualifying property, and, if applicable, a  
15 third-party lender and shall provide:

16 (a) A description of the energy project, including the estimated  
17 cost of the energy project and a description of the estimated savings  
18 prepared in accordance with standards acceptable to the municipality;

19 (b) A mechanism for:

20 (i) Verifying the final costs of the energy project upon its  
21 completion; and

22 (ii) Ensuring that any amounts advanced, financed, or otherwise paid  
23 by the municipality toward the costs of the energy project will not  
24 exceed the final cost of the energy project;

25 (c) An agreement by the property owner to pay annual assessments for  
26 a period not to exceed the weighted average useful life of the energy  
27 project;

28 (d) A statement that the obligations set forth in the assessment  
29 contract, including the obligation to pay annual assessments, are a  
30 covenant that shall run with the land and be obligations upon future  
31 owners of the qualifying property; and

1 (e) An acknowledgment that no subdivision of qualifying property  
2 subject to the assessment contract shall be valid unless the assessment  
3 contract or an amendment to such contract divides the total annual  
4 assessment due between the newly subdivided parcels pro rata to the  
5 special benefit realized by each subdivided parcel.

6 (4) The total annual assessments levied against qualifying property  
7 under an assessment contract shall not exceed the sum of the cost of the  
8 energy project, including any energy audits or inspections or portion  
9 thereof financed by the municipality, plus such administration fees,  
10 interest, and other financing costs reasonably required by the  
11 municipality.

12 (5) Nothing in the Property Assessed Clean Energy Act shall be  
13 construed to prevent a municipality from entering into more than one  
14 assessment contract with respect to a single parcel of real property so  
15 long as each assessment contract relates to a separate energy project and  
16 subdivision (2)(c) of this section is not violated.

17 (6) The municipality shall provide a copy of each signed assessment  
18 contract to the county assessor and register of deeds of the county in  
19 which the qualifying property is located, and the register of deeds shall  
20 record the assessment contract with the qualifying property.

21 (7) Annual assessments agreed to under an assessment contract shall  
22 be levied against the qualifying property and collected at the same time  
23 and in the same manner as property taxes are levied and collected, except  
24 that an assessment contract for qualifying property other than single-  
25 family residential property may allow third-party lenders to collect  
26 annual assessments directly from the owner of the qualifying property in  
27 a manner prescribed in the assessment contract.

28 (8) Collection of annual assessments shall only be sought from the  
29 original owners or subsequent purchasers of qualifying property subject  
30 to an assessment contract.

31 Sec. 6. Section 18-3206, Revised Statutes Cumulative Supplement,

1 2016, is amended to read:

2 ~~18-3206~~ (1)(a) For qualifying property other than single-family  
3 residential property, any annual assessment imposed on such qualifying  
4 property that becomes delinquent, including any interest on the annual  
5 assessment and any penalty, shall constitute a PACE lien against the  
6 qualifying property on which the annual assessment is imposed until the  
7 annual assessment, including any interest and penalty, is paid in full.  
8 Any annual assessment that is not paid within the time period set forth  
9 in the assessment contract shall be considered delinquent. The  
10 municipality shall, within fourteen days after an annual assessment  
11 becomes delinquent, record a notice of such lien in the office of the  
12 register of deeds of the county in which the qualifying property is  
13 located.

14 (b) For qualifying property that is single-family residential  
15 property, all annual assessments imposed on such qualifying property,  
16 including any interest on the annual assessments and any penalty, shall,  
17 upon the initial annual assessment, constitute a PACE lien against the  
18 qualifying property on which the annual assessments are imposed until all  
19 annual assessments, including any interest and penalty, are paid in full.  
20 Any annual assessment that is not paid within the time period set forth  
21 in the assessment contract shall be considered delinquent. The  
22 municipality shall, upon imposition of the initial annual assessment,  
23 record a notice of such lien in the office of the register of deeds of  
24 the county in which the qualifying property is located.

25 (2) A notice of lien filed under this section shall, at a minimum,  
26 include:

27 (a) The amount of funds disbursed or to be disbursed pursuant to the  
28 assessment contract;

29 (b) The names and addresses of the current owners of the qualifying  
30 property subject to the annual assessment;

31 (c) The legal description of the qualifying property subject to the

1 annual assessment;

2 (d) The duration of the assessment contract; and

3 (e) The name and address of the municipality filing the notice of  
4 lien.

5 (3) The PACE lien created under this section shall:

6 (a) For qualifying property that is single-family residential  
7 property, (i) be subordinate to all liens on the qualifying property  
8 recorded prior to the time the notice of the PACE lien is recorded, (ii)  
9 be subordinate to a first mortgage or trust deed on the qualifying  
10 property recorded after the notice of the PACE lien is recorded, and  
11 (iii) have priority over any other lien on the qualifying property  
12 recorded after the notice of the PACE lien is recorded; and

13 (b) For qualifying property other than single-family residential  
14 property and subject to the requirement in subdivision (2)(a) of section  
15 5 of this act 18-3205 to obtain and record an executed consent and  
16 subordination agreement, have the same priority and status as real  
17 property tax liens.

18 (4)(a) Notwithstanding any other provision of law, in the event of a  
19 sale pursuant to a foreclosure or a sale pursuant to the exercise of a  
20 power of sale under a trust deed relating to qualifying property that is  
21 single-family residential property, the holders of any mortgages, trust  
22 deeds, or other liens, including delinquent annual assessments secured by  
23 PACE liens, shall receive proceeds in accordance with the priorities  
24 established under subdivision (3)(a) of this section. In the event there  
25 are insufficient proceeds from such a sale, from the loss reserve fund  
26 established pursuant to section 8 of this act 18-3208, or from any other  
27 means to satisfy the delinquent annual assessments, such delinquent  
28 annual assessments shall be extinguished. Any annual assessment that has  
29 not yet become delinquent shall not be accelerated or extinguished in the  
30 event of a sale pursuant to a foreclosure or a sale pursuant to the  
31 exercise of a power of sale under a trust deed relating to qualifying

1 property that is single-family residential property. Upon the transfer of  
2 ownership of qualifying property that is single-family residential  
3 property, including a sale pursuant to a foreclosure or a sale pursuant  
4 to the exercise of a power of sale under a trust deed, the nondelinquent  
5 annual assessments shall continue as a lien on the qualifying property,  
6 subject to the priorities established under subdivision (3)(a) of this  
7 section.

8 (b) Upon the transfer of ownership of qualifying property other than  
9 single-family residential property, including a sale pursuant to a  
10 foreclosure or a sale pursuant to the exercise of a power of sale under a  
11 trust deed, the obligation to pay annual assessments shall run with the  
12 qualifying property.

13 (5)(a) For qualifying property other than single-family residential  
14 property, when the delinquent annual assessment, including any interest  
15 and penalty, is paid in full, a release of the PACE lien shall be  
16 recorded in the office of the register of deeds of the county in which  
17 the notice of the PACE lien was recorded.

18 (b) For qualifying property that is single-family residential  
19 property, when all annual assessments, including any interest and  
20 penalty, are paid in full, a release of the PACE lien shall be recorded  
21 in the office of the register of deeds of the county in which the notice  
22 of the PACE lien was recorded.

23 (6) If the holder or loan servicer of any existing mortgage or trust  
24 deed that encumbers or that is otherwise secured by the qualifying  
25 property has established a payment schedule or escrow account to accrue  
26 property taxes or insurance, such holder or loan servicer may increase  
27 the required monthly payment, if any, by an amount necessary to pay the  
28 annual assessment imposed under the Property Assessed Clean Energy Act.

29 Sec. 7. Section 18-3207, Revised Statutes Cumulative Supplement,  
30 2016, is amended to read:

31 ~~18-3207~~ (1) A municipality may raise capital to finance energy

1 projects undertaken pursuant to an assessment contract entered into under  
2 the Property Assessed Clean Energy Act. Such capital may come from any of  
3 the following:

4 (a) The sale of bonds;

5 (b) Amounts to be advanced by the municipality through funds  
6 available to it from any other source; or

7 (c) Third-party lending.

8 (2) Bonds issued under subsection (1) of this section shall not be  
9 general obligations of the municipality, shall be nonrecourse, and shall  
10 not be backed by the full faith and credit of the issuer, the  
11 municipality, or the state, but shall only be secured by payments of  
12 annual assessments by owners of qualifying property within the clean  
13 energy assessment district or districts specified who are subject to an  
14 assessment contract under section 5 of this act ~~18-3205~~.

15 (3) Any single bond issuance by a municipality for purposes of the  
16 Property Assessed Clean Energy Act shall not exceed five million dollars  
17 without a vote of the registered voters of such municipality.

18 (4) A pledge of annual assessments, funds, or contractual rights  
19 made in connection with the issuance of bonds by a municipality  
20 constitutes a statutory lien on the annual assessments, funds, or  
21 contractual rights so pledged in favor of the person or persons to whom  
22 the pledge is given without further action by the municipality. The  
23 statutory lien is valid and binding against all other persons, with or  
24 without notice.

25 (5) Bonds of one series issued under the Property Assessed Clean  
26 Energy Act may be secured on a parity with bonds of another series issued  
27 by the municipality pursuant to the terms of a master indenture or master  
28 resolution entered into or adopted by the municipality.

29 (6) Bonds issued under the act, and interest payable on such bonds,  
30 are exempt from all taxation by this state and its political  
31 subdivisions.

1 (7) Bonds issued under the act further essential public and  
2 governmental purposes, including, but not limited to, reduced energy  
3 costs, reduced greenhouse gas emissions, economic stimulation and  
4 development, improved property valuation, and increased employment.

5 (8) The Property Assessed Clean Energy Act shall not be used to  
6 finance an energy project on qualifying property owned by a municipality  
7 or any other political subdivision of the State of Nebraska without  
8 having first been approved by a vote of the registered voters of such  
9 municipality or political subdivision owning the qualifying property.  
10 Such vote shall be taken at a special election called for such purpose or  
11 at an election held in conjunction with a statewide or local primary or  
12 general election.

13 Sec. 8. Section 18-3208, Revised Statutes Cumulative Supplement,  
14 2016, is amended to read:

15 ~~18-3208~~ (1) A municipality that has created a clean energy  
16 assessment district shall create a loss reserve fund for:

17 (a) The payment of any delinquent annual assessments for qualifying  
18 property that is single-family residential property in the event that  
19 there is a sale pursuant to a foreclosure or a sale pursuant to the  
20 exercise of a power of sale under a trust deed of such qualifying  
21 property and the proceeds resulting from such a sale are, after all  
22 superior liens have been satisfied, insufficient to pay the delinquent  
23 annual assessments. Payments from the loss reserve fund under this  
24 subdivision may only be made with respect to delinquent annual  
25 assessments imposed upon qualifying property that is single-family  
26 residential property, with no more than one such payment to be made for  
27 the same qualifying property; and

28 (b) The payment of annual assessments imposed upon qualifying  
29 property that is single-family residential property subsequent to a sale  
30 pursuant to a foreclosure or a sale pursuant to the exercise of a power  
31 of sale under a trust deed in which the mortgagee or beneficiary becomes

1 the owner of such qualifying property. Payments from the loss reserve  
2 fund under this subdivision may only be made with respect to annual  
3 assessments imposed upon qualifying property that is single-family  
4 residential property subsequent to the date on which the mortgagee or  
5 beneficiary became the owner of such qualifying property and until the  
6 qualifying property is conveyed by the mortgagee or beneficiary, with no  
7 more than one such payment to be made for the same qualifying property.

8 (2) The loss reserve fund may be funded by state and federal  
9 sources, the proceeds of bonds issued pursuant to the Property Assessed  
10 Clean Energy Act, third-party capital, and participating property owners.  
11 The loss reserve fund shall only be used to provide payment of annual  
12 assessments as provided in this section and for the costs of  
13 administering the loss reserve fund.

14 (3) The loss reserve fund shall not be funded by, and payment of  
15 annual assessments and costs of administering the loss reserve fund shall  
16 not be made from, the general fund of any municipality.

17 Sec. 9. Section 18-3209, Revised Statutes Cumulative Supplement,  
18 2016, is amended to read:

19 ~~18-3209~~ A municipality that has created a clean energy assessment  
20 district may create a debt service reserve fund to be used as security  
21 for capital raised under section 7 of this act ~~18-3207~~.

22 Sec. 10. Section 18-3210, Revised Statutes Cumulative Supplement,  
23 2016, is amended to read:

24 ~~18-3210~~ (1) Two or more municipalities may enter into an agreement  
25 pursuant to the Interlocal Cooperation Act for the creation,  
26 administration, or creation and administration of clean energy assessment  
27 districts.

28 (2) If the creation of clean energy assessment districts is  
29 implemented jointly by two or more municipalities, a single public  
30 hearing held jointly by the cooperating municipalities is sufficient to  
31 satisfy the requirements of section 4 of this act ~~18-3204~~.

1 (3) A municipality or municipalities may contract with a third party  
2 for the administration of clean energy assessment districts.

3 Sec. 11. Section 18-3211, Revised Statutes Cumulative Supplement,  
4 2016, is amended to read:

5 ~~18-3211~~ (1) Any municipality that creates a clean energy assessment  
6 district under the Property Assessed Clean Energy Act shall, on or before  
7 January 31 of each year, electronically submit a report to the Urban  
8 Affairs Committee of the Legislature on the following:

9 (a) ~~(1)~~ The number of clean energy assessment districts in the  
10 municipality and their location;

11 (b) ~~(2)~~ The total dollar amount of energy projects undertaken  
12 pursuant to the act;

13 (c) ~~(3)~~ The total dollar amount of outstanding bonds issued under  
14 the act;

15 (d) ~~(4)~~ The total dollar amount of annual assessments collected as  
16 of the end of the most recently completed calendar year and the total  
17 amount of annual assessments yet to be collected pursuant to assessment  
18 contracts signed under the act; and

19 (e) ~~(5)~~ A description of the types of energy projects undertaken  
20 pursuant to the act.

21 (2) If a clean energy assessment district is administered jointly by  
22 two or more municipalities, a single report submission by the cooperating  
23 municipalities is sufficient to satisfy the requirements of subsection  
24 (1) of this section.

25 Sec. 12. The Revisor of Statutes shall assign sections 1 to 11 of  
26 this act to a new article in Chapter 13.

27 Sec. 13. Original sections 18-3201, 18-3202, 18-3203, 18-3204,  
28 18-3205, 18-3206, 18-3207, 18-3208, 18-3209, 18-3210, and 18-3211,  
29 Revised Statutes Cumulative Supplement, 2016, are repealed.

30 Sec. 14. Since an emergency exists, this act takes effect when  
31 passed and approved according to law.