

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. If and only if House Bill 2831 of the 100th
5 General Assembly becomes law as engrossed, then the Property
6 Assessed Clean Energy Act is amended by changing Sections 5 and
7 25 as follows:

8 (10000HB2831eng, Sec. 5)

9 Sec. 5. Definitions. As used in this Act:

10 "Alternative energy improvement" means the installation or
11 upgrade of electrical wiring, outlets, or charging stations to
12 charge a motor vehicle that is fully or partially powered by
13 electricity.

14 "Assessment contract" means a voluntary written contract
15 between the local unit of government and record owner governing
16 the terms and conditions of financing and assessment under a
17 program.

18 "PACE area" means an area within the jurisdictional
19 boundaries of a local unit of government created by an
20 ordinance or resolution of the local unit of government to
21 provide financing for energy projects under a property assessed
22 clean energy program. A local unit of government may create
23 more than one PACE area under the program, and PACE areas may

1 be separate, overlapping, or coterminous.

2 "Energy efficiency improvement" means equipment, devices,
3 or materials intended to decrease energy consumption or promote
4 a more efficient use of electricity, natural gas, propane, or
5 other forms of energy on property, including, but not limited
6 to, all of the following:

7 (1) insulation in walls, roofs, floors, foundations,
8 or heating and cooling distribution systems;

9 (2) storm windows and doors, multi-glazed windows and
10 doors, heat-absorbing or heat-reflective glazed and coated
11 window and door systems, and additional glazing,
12 reductions in glass area, and other window and door system
13 modifications that reduce energy consumption;

14 (3) automated energy control systems;

15 (4) high efficiency heating, ventilating, or
16 air-conditioning and distribution system modifications or
17 replacements;

18 (5) caulking, weather-stripping, and air sealing;

19 (6) replacement or modification of lighting fixtures
20 to reduce the energy use of the lighting system;

21 (7) energy controls or recovery systems;

22 (8) day lighting systems; and

23 (9) any other installation or modification of
24 equipment, devices, or materials approved as a utility
25 cost-savings measure by the governing body.

26 "Energy project" means the installation or modification of

1 an alternative energy improvement, energy efficiency
2 improvement, or water use improvement, or the acquisition,
3 installation, or improvement of a renewable energy system that
4 is or will be affixed to new or ~~a stabilized~~ existing property
5 ~~(not new construction)~~.

6 "Governing body" means the county board or board of county
7 commissioners of a county, the city council of a city, or the
8 board of trustees of a village.

9 "Local unit of government" means a county, city, or
10 village.

11 "Person" means an individual, firm, partnership,
12 association, corporation, limited liability company,
13 unincorporated joint venture, trust, or any other type of
14 entity that is recognized by law and has the title to or
15 interest in property. "Person" does not include a local unit of
16 government or a homeowner's or condominium association.

17 "Program administrator" means a for-profit entity or
18 not-for profit entity that will administer a program on behalf
19 of or at the discretion of the local unit of government. It or
20 its affiliates, consultants, or advisors shall have done
21 business as a program administrator or capital provider for a
22 minimum of 18 months and shall be responsible for arranging
23 capital for the acquisition of bonds issued by the local unit
24 of government to finance energy projects.

25 "Property" means ~~privately owned~~ commercial, industrial,
26 non-residential agricultural, or multi-family (of 5 or more

1 units) real property located within the local unit of
2 government, but does not include property owned by ~~a local unit~~
3 ~~of government~~ or a homeowner's or condominium association.

4 "Property assessed clean energy program" or "program"
5 means a program as described in Section 10.

6 "Record owner" means the person who is the titleholder or
7 owner of the beneficial interest in property.

8 "Renewable energy resource" includes energy and its
9 associated renewable energy credit or renewable energy credits
10 from wind energy, solar thermal energy, photovoltaic cells and
11 panels, biodiesel, anaerobic digestion, and hydropower that
12 does not involve new construction or significant expansion of
13 hydropower dams. For purposes of this Act, landfill gas
14 produced in the State is considered a renewable energy
15 resource. The term "renewable energy resources" does not
16 include the incineration or burning of any solid material.

17 "Renewable energy system" means a fixture, product,
18 device, or interacting group of fixtures, products, or devices
19 on the customer's side of the meter that use one or more
20 renewable energy resources to generate electricity.

21 "Water use improvement" means any fixture, product,
22 system, device, or interacting group thereof for or serving any
23 property that has the effect of conserving water resources
24 through improved water management or efficiency.

25 (Source: 10000HB2831eng.)

1 (10000HB2831eng, Sec. 25)

2 Sec. 25. Contracts with record owners of property.

3 (a) After creation of a program and PACE area, a record
4 owner of property within the PACE area may apply with the local
5 unit of government or its program administrator for funding to
6 finance an energy project.

7 (b) A local unit of government may impose an assessment
8 under a property assessed clean energy program only pursuant to
9 the terms of a recorded assessment contract with the record
10 owner of the property to be assessed.

11 (c) Before entering into an assessment contract with a
12 record owner under a program, the local unit of government
13 shall verify all of the following:

14 (1) that the property is within the PACE area;

15 (2) that there are no delinquent taxes, special
16 assessments, or water or sewer charges on the property;

17 (3) that there are no delinquent assessments on the
18 property under a property assessed clean energy program;

19 (4) there are no involuntary liens on the property,
20 including, but not limited to, construction or mechanics
21 liens, lis pendens or judgments against the record owner,
22 environmental proceedings, or eminent domain proceedings;

23 (5) that no notices of default or other evidence of
24 property-based debt delinquency have been recorded and not
25 cured;

26 (6) that the record owner is current on all mortgage

1 debt on the property, the record owner has not filed for
2 bankruptcy in the last 2 years, and the property is not an
3 asset to a current bankruptcy.

4 (7) all work requiring a license under any applicable
5 law to make a qualifying improvement shall be performed by
6 a registered contractor that has agreed to adhere to a set
7 of terms and conditions through a process established by
8 the local unit of government.

9 (8) the contractors to be used have signed a written
10 acknowledgement that the local unit of government will not
11 authorize final payment to the contractor until the local
12 unit of government has received written confirmation from
13 the record owner that the improvement was properly
14 installed and is operating as intended; provided, however,
15 that the contractor retains all legal rights and remedies
16 in the event there is a disagreement with the owner;

17 (9) that the amount of the assessment in relation to
18 the greater of the assessed value of the property or the
19 appraised value of the property, as determined by a
20 licensed appraiser, does not exceed 25%; and

21 (10) a requirement that an assessment of the existing
22 water or energy use or ~~and~~ a modeling of expected monetary
23 savings has ~~have~~ been conducted for any proposed project.

24 (d) At least 30 days before entering into an agreement with
25 the local unit of government, the record owner shall provide to
26 the holders or loan servicers of any existing mortgages

1 encumbering or otherwise secured by the property a notice of
2 the record owner's intent to enter into an assessment contract
3 with the local unit of government, together with the maximum
4 principal amount to be financed and the maximum annual
5 assessment necessary to repay that amount, along with a request
6 that the holders or loan servicers of any existing mortgages
7 consent to the record owner subjecting the property to the
8 program. A verified copy or other proof of those notices and
9 the written consent of the existing mortgage holder for the
10 record owner to enter into the assessment contract and
11 acknowledging that the existing mortgage will be subordinate to
12 the financing and assessment agreement and that the local unit
13 of government can foreclose the property if the assessment is
14 not paid shall be provided to the local unit of government.

15 (e) A provision in any agreement between a local unit of
16 government and a public or private power or energy provider or
17 other utility provider is not enforceable to limit or prohibit
18 any local unit of government from exercising its authority
19 under this Section.

20 (f) The record owner has signed a certification that the
21 local unit of government has complied with the provisions of
22 this Section, which shall be conclusive evidence as to
23 compliance with these provisions, but shall not relieve any
24 contractor, or local unit of government, from any potential
25 liability.

26 (g) This Section is additional and supplemental to county

1 and municipal home rule authority and not in derogation of such
2 authority or limitation upon such authority.

3 (Source: 10000HB2831eng.)

4 Section 99. Effective date. This Act takes effect upon
5 becoming law or upon the effective date of House Bill 2831 of
6 the 100th General Assembly, whichever occurs later.