



Legislative Council Staff

Research Note

Version: Final

Date: 11/7/2016

Bill Number

Senate Bill 16-171

Sponsors

Senators Martinez Humenik & Scheffel
Representatives Tyler & Becker J.

Short Title

***New Energy Improvement
District Clarifications***

Research Analyst

David Beaujon (x4781)

Status

This research note reflects the final version of the bill. The bill was signed by the Governor on May 16, 2016, and took effect on August 10, 2016.

Summary

The New Energy Improvement District (NEID) is a statewide district that operates a program to facilitate private financing of energy and water improvements to eligible real property. This bill requires treasurers of counties that have authorized the NEID program to retain a one percent collection fee for each NEID special assessment that it collects. The bill also requires treasurers to distribute NEID special assessments to the NEID in the same manner, less the collection fee, as property taxes are distributed. Counties may also revoke program authorization so long as the county meets all of its program financing obligations existing on the effective date of the deauthorization until all special assessments in the county have been paid in full to the NEID. The bill repeals the authority of the NEID to reduce the amount of any special assessment with the consent of the property owner, and clarifies that delinquent special assessment installments incur interest charges at the same rate as delinquent property taxes. Finally, the bill repeals the prohibition against a county assessor considering increases in a property's market value resulting from an energy or water improvement financed through the NEID program when valuing real property. The bill also repeals existing authority for the NEID to initiate a civil action for foreclosure.

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Background

NEID and C-PACE. NEID is a statutory special district that administers Colorado's Commercial Property Assessed Clean Energy (C-PACE) program. C-PACE is a financing tool that allows commercial and multifamily property owners to finance qualifying energy efficiency, water conservation, and other clean energy improvements on existing and newly constructed properties, with repayment of the financing through a voluntary assessment on their property tax bill. Eligible improvements include automated building controls; boilers, chillers and furnaces; building envelope (insulation, windows); combined heat and power systems; high efficiency lighting, hot water heating systems; HVAC upgrades & controls; solar PV systems; pumps, motors, and drives; roof replacement; irrigation systems; and low-flow fixtures. NEID is governed by a board of directors that includes representatives from the Colorado Energy Office; real estate development; banking the energy efficiency and renewable energy industries; and public utilities.

Senate Action

Senate Local Government Committee (March 29, 2016). At the hearing, the Chair of the NEID spoke in support of the bill and discussed the role of the district. Representatives of the International Council of Shopping Centers, the National Association of Office Industrial Properties, and the Colorado Bankers Association spoke in support of the bill. The committee referred the bill with no amendments to the Senate Committee of the Whole with a recommendation that it be placed on the consent calendar.

Senate second reading (March 31, 2016). The Senate passed the bill on second reading with no amendments.

Senate third reading (April 1, 2016). The Senate passed the bill on third reading with no amendments.

House Action

House Transportation and Energy Committee (April 20, 2016). Representatives of the NEID, the Republic Investment Group, the Colorado Solar Electricity Industries Association, and the Colorado Bankers Association spoke in support of the bill. The committee referred the bill with no amendments to the House Committee of the Whole.

House second reading (April 22, 2016). The House passed the bill on second reading with no amendments.

House third reading (April 25, 2016). This House passed the bill on third reading with no amendments.