

**First Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO**

**ENGROSSED**

*This Version Includes All Amendments Adopted  
on Second Reading in the House of Introduction*

LLS NO. 13-0308.01 Thomas Morris x4218

**SENATE BILL 13-212**

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**SENATE SPONSORSHIP**

**Jones and Schwartz, Johnston**

**HOUSE SPONSORSHIP**

**Tyler,**

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**Senate Committees**

Agriculture, Natural Resources, & Energy

**House Committees**

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**A BILL FOR AN ACT**

101     **CONCERNING INCREASED OPTIONS FOR FINANCING AVAILABLE**  
102             **THROUGH THE COLORADO NEW ENERGY IMPROVEMENT**  
103             **DISTRICT FOR THE COMPLETION OF NEW ENERGY**  
104             **IMPROVEMENTS, AND, IN CONNECTION THEREWITH, ALLOWING**  
105             **COMMERCIAL BUILDINGS TO ACCESS DISTRICT FINANCING,**  
106             **REQUIRING CONSENT FOR SUBORDINATION OF MORTGAGE LIENS,**  
107             **AND FACILITATING PRIVATE THIRD-PARTY FINANCING.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at*

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

SENATE  
Amended 2nd Reading  
April 2, 2013

[http://www.leg.state.co.us/bills/summaries.](http://www.leg.state.co.us/bills/summaries/))

The Colorado new energy improvement district (district) currently allows for financing of the completion of new energy improvements only for residential real estate. **Section 2** of the bill allows owners of commercial property to utilize such financing, repeals the maximum 95% loan-to-value requirement for qualified applicants, and repeals the percentage-of-value and dollar caps on allowable new energy improvements. Section 2 also includes fuel cells within the definition of "renewable energy improvement" and includes improvements that increase the overall illumination of a property or bring the property up to building code within the definition of "energy efficiency improvement". **Section 3** directs the governor to appoint 5 members to the district board by September 1, 2013, modifies their qualifications, removes the legislative appointees from the board, and reduces the quorum from 6 to 4 members.

**Section 4** directs the district to develop:

- ! A program for the financing of new energy improvements by private third-party financing in addition to by district bonds; and
- ! The parameters for requiring consent in all cases by existing mortgage holders to subordinate the priority of their mortgages to the priority of the district's lien.

Current law includes increased market value and decreased energy bills attributable to a new energy improvement in the calculation of the amount of the special assessment; **section 5** repeals these factors from that calculation and also repeals language that allows special assessments to be prepaid.

If district special assessments are attributable to new energy improvements that were financed by a private third party:

- ! **Section 6** directs the board to credit the proceeds of the special assessments to the private third party; and
- ! **Section 7** specifies that district bonds are not payable from the special assessments.

Section 6 also prohibits county assessors from taking into account any increase in the market value of the eligible real property resulting from the completion of a new energy improvement when assessing the value of the property. Section 7 also affirms that the state will not impair the rights or remedies of private third parties that have financed new energy improvements.

Current law conditionally repeals the district on January 1, 2016. **Section 8** repeals the repeal date.

1           **SECTION 1. Short title.** This act shall be known and may be  
2 cited as the "New Energy Jobs Act of 2013".

3           **SECTION 2.** In Colorado Revised Statutes, 32-20-103, **amend**  
4 (4), (5) introductory portion, (5) (f), (7), (11), (12) introductory portion,  
5 and (14); **repeal** (10) (a); and **add** (1.5) as follows:

6           **32-20-103. Definitions.** As used in this article, unless the context  
7 otherwise requires:

8           (1.5) "COMMERCIAL BUILDING" MEANS ANY REAL PROPERTY  
9 OTHER THAN A RESIDENTIAL BUILDING CONTAINING FEWER THAN FIVE  
10 DWELLING UNITS AND INCLUDES ANY OTHER IMPROVEMENT OR  
11 CONNECTED LAND THAT IS BILLED WITH THE IMPROVEMENT FOR PURPOSES  
12 OF AD VALOREM PROPERTY TAXATION.

13           (4) "Eligible real property" means a residential OR COMMERCIAL  
14 building, located within a county in which the district has been authorized  
15 to conduct the program as required by section 32-20-105 (3), on which or  
16 in which a new energy improvement to be financed by the district has  
17 been or will be completed.

18           (5) "Energy efficiency improvement" means one or more  
19 installations or modifications to eligible real property that are designed to  
20 reduce the energy consumption of the property ~~and that are not required~~  
21 ~~by a building code as part of new construction or a major renovation~~ and  
22 includes, but is not limited to, the following:

23           (f) Replacement or modification of lighting fixtures to increase  
24 the energy efficiency of the system; ~~without increasing the overall~~  
25 ~~illumination of eligible real property unless the increase in illumination~~  
26 ~~is necessary to conform to the applicable building code for the proposed~~  
27 ~~lighting system;~~

1           (7) "New energy improvement" means one or more on-site energy  
2 efficiency improvements or renewable energy improvements, or both,  
3 made to eligible real property that will reduce the energy consumption of  
4 or add energy produced from renewable energy sources ~~only~~ WITH  
5 REGARD to any portion of the eligible real property. ~~that is used~~  
6 ~~predominantly as a place of residency.~~

7           (10) "Qualified applicant" means a person who:

8           (a) ~~Owns eligible real property that has a ratio of loan balance to~~  
9 ~~its actual value of ninety-five percent or less at the time the person's~~  
10 ~~program application is approved, as shown in the records of the county~~  
11 ~~assessor, unless the holder of the deed of trust or mortgage recorded~~  
12 ~~against the eligible real property that has priority over all other deeds of~~  
13 ~~trust or mortgages recorded against the eligible real property has~~  
14 ~~consented in writing to the levying of a special assessment against the~~  
15 ~~eligible real property.~~

16           (11) "Reimbursement or a direct payment" means the payment by  
17 the district to a district member, or on behalf of ~~such~~ a district member to  
18 a contractor that has completed a new energy improvement to the district  
19 member's eligible real property, of all or a portion of the cost of  
20 completing a new energy improvement. Utility rebates offered to program  
21 participants by a qualifying retail utility for the purpose of compliance  
22 with renewable energy targets established in section 40-2-124, C.R.S.,  
23 ~~shall be~~ ARE subject to the retail rate impact cap established pursuant to  
24 section 40-2-124 (1) (g) (I), C.R.S. ~~The maximum amount of~~  
25 ~~reimbursement or a direct payment that may be made shall be the lowest~~  
26 ~~of the full cost of completing a new energy improvement, twenty percent~~  
27 ~~of the actual value, as specified in the records of the county assessor, of~~

1 ~~the eligible real property to which the new energy improvement is made,~~  
2 ~~or twenty-five thousand dollars; except that the twenty-five thousand~~  
3 ~~dollar limit shall be adjusted by the district for each calendar year~~  
4 ~~commencing on or after January 1, 2012, based on the consumer price~~  
5 ~~index for the Denver-Boulder-Greeley metropolitan statistical area for the~~  
6 ~~state fiscal year that ends in the preceding calendar year.~~

7 (12) "Renewable energy improvement" means one or more  
8 fixtures, products, systems, or devices, or an interacting group of fixtures,  
9 products, systems, or devices, that directly benefit eligible real property  
10 through a qualified community location, as defined in section 30-20-602  
11 (4.3), C.R.S., enacted by Senate Bill 10-100, enacted in 2010, or that are  
12 installed behind the meter of any eligible real property and that produce  
13 energy from renewable resources, including but not limited to,  
14 photovoltaic, solar thermal, small wind, low-impact hydroelectric,  
15 biomass, FUEL CELL, or geothermal systems such as ground source heat  
16 pumps, as may be approved by the district; except that no renewable  
17 energy improvement shall be authorized that interferes with a right held  
18 by a public utility under a certificate issued by the public utilities  
19 commission under article 5 of title 40, C.R.S. Nothing in this article shall  
20 limit the right of a public utility, subject to article 3 or 3.5 of title 40,  
21 C.R.S., or section 40-9.5-106, C.R.S., to assess fees for the use of its  
22 facilities or modify or expand the net metering limitations established in  
23 sections 40-9.5-118 and 40-2-124 (7), C.R.S. Primary jurisdiction to hear  
24 any disputes as to whether a renewable energy improvement interferes  
25 with such a right shall lie:

26 (14) "Special assessment" or "assessment" means a charge levied  
27 by the district against eligible real property specially benefited by a new

1 energy improvement for which the district has made or will make  
2 reimbursement or a direct payment that is proportional to the benefit  
3 received from the new energy improvement and does not exceed the  
4 estimated amount of special benefits received OR THE FULL COST OF  
5 COMPLETING THE NEW ENERGY IMPROVEMENT.

6 **SECTION 3.** In Colorado Revised Statutes, 32-20-104, **amend**  
7 (2) (a) introductory portion, (2) (a) (I), (2) (a) (II), and (3); and **repeal** (2)  
8 (a) (III), (2) (a) (IV), (2) (a) (V), and (2) (a) (VI), as follows:

9 **32-20-104. Colorado new energy improvement district -**  
10 **creation - board - meetings - quorum - expenses - records.** (2) (a) The  
11 district ~~shall be~~ IS governed by a board of directors, which shall exercise  
12 the powers of the district, shall, by a majority vote of a quorum of its  
13 members, select from its membership a chair, ~~and a vice-chair,~~ AND  
14 SECRETARY, and ~~shall be~~ IS composed of ~~nine~~ SEVEN members, including:

- 15 (I) The following two ex officio members or their designees:  
16 (A) The director of the Colorado energy office created in section  
17 24-38.5-101 (1), C.R.S., OR THE DIRECTOR'S DESIGNEE; and  
18 (B) The director of the Colorado office of economic development  
19 created in section 24-48.5-101 (1), C.R.S.;

20 (II) The following five ~~SIX~~ members appointed by the governor BY  
21 SEPTEMBER 1, 2013:

22 (A) One member who has executive-level experience in ~~the~~  
23 ~~affordable housing industry~~ COMMERCIAL OR RESIDENTIAL REAL ESTATE  
24 DEVELOPMENT;

25 (B) One member who has executive-level experience in the  
26 lending industry TWO MEMBERS WHO EACH HAVE AT LEAST TEN YEARS OF  
27 EXECUTIVE-LEVEL EXPERIENCE WITH ONE OR MORE FINANCIAL

1 INSTITUTIONS, AT LEAST ONE OF WHOM HAS HAD SUCH EXPERIENCE WITH  
2 ONE OR MORE FINANCIAL INSTITUTIONS HAVING TOTAL ASSETS OF LESS  
3 THAN ONE BILLION DOLLARS;

4 (C) ~~One member who is an attorney licensed to practice law in~~  
5 ~~Colorado and who shall serve as the secretary of the board~~ HAS  
6 EXECUTIVE-LEVEL EXPERIENCE IN THE UTILITY INDUSTRY;

7 (D) One member who represents the energy efficiency industry;  
8 and

9 (E) One member who represents ~~local governments~~ THE  
10 RENEWABLE ENERGY INDUSTRY.

11 (III) ~~One member appointed by the president of the senate who~~  
12 ~~has executive-level experience in the renewable energy industry;~~

13 (IV) ~~One member appointed by the speaker of the house of~~  
14 ~~representatives who has executive-level experience in the financial~~  
15 ~~industry;~~

16 (V) ~~One member appointed by the minority leader of the senate~~  
17 ~~who has executive-level experience in the utility industry; and~~

18 (VI) ~~One member appointed by the minority leader of the house~~  
19 ~~of representatives who has executive-level experience in the housing~~  
20 ~~industry.~~

21 (3) ~~Six~~ FOUR members of the board shall constitute a quorum for  
22 the purpose of conducting business and exercising the powers of the  
23 board. Action may be taken by the board upon the affirmative vote of at  
24 least ~~six~~ FOUR of its members. No vacancy in the membership of the  
25 board shall impair the right of a quorum to exercise all the rights and  
26 perform all the duties of the board.

27 **SECTION 4.** In Colorado Revised Statutes, 32-20-105, **amend**

1 (3) introductory portion, (3) (d), (3) (e), (3) (g), and (4); and **add** (3) (h)  
2 and (3) (i) as follows:

3 **32-20-105. District - purpose - general powers and duties -**  
4 **new energy improvement program.** (3) The district shall establish,  
5 develop, finance, and administer a new energy improvement program.  
6 However, the district may conduct the program within any given county  
7 only if the board of county commissioners of the county has adopted a  
8 resolution authorizing the district to conduct the program within the  
9 county. The DISTRICT SHALL DESIGN THE program ~~shall be designed~~ to  
10 allow an owner of eligible real property to apply to join the district,  
11 receive reimbursement or a direct payment from the district, and consent  
12 to the levying of a special assessment on the eligible real property  
13 specially benefited by a new energy improvement for which the district  
14 makes reimbursement or a direct payment. The district shall establish an  
15 application process for the program ~~which may allow~~ THAT ALLOWS an  
16 owner of eligible real property to become a qualified applicant by  
17 submitting an application to the district and ~~which~~ THAT may include one  
18 or more deadlines for the filing of an application. THE APPLICATION  
19 PROCESS MUST REQUIRE THE APPLICANT TO SUBMIT WITH THE  
20 APPLICATION \_\_\_ A COMMITMENT OF TITLE INSURANCE ISSUED BY A DULY  
21 LICENSED COLORADO TITLE INSURANCE COMPANY WITHIN THIRTY DAYS  
22 BEFORE THE DATE THE APPLICATION IS SUBMITTED. The district may  
23 charge program application fees. In order to administer the program, the  
24 district, acting directly or through a program administrator or ~~such~~ other  
25 agents, employees, or professionals as the district may appoint, hire,  
26 retain, or contract with, MAY AGGREGATE QUALIFIED APPLICANTS INTO  
27 ONE OR MORE BOND ISSUES AND shall:

1 (d) Encourage OR REQUIRE, AS DETERMINED BY THE DISTRICT, any  
2 qualified applicant to obtain an ~~online or on-site home~~ energy audit in  
3 order to ensure the efficient use of new energy improvement funding  
4 pursuant to this article;

5 (e) Inform prospective program applicants and qualified  
6 applicants of private financing options not provided by the district,  
7 including, ~~but not limited to~~ AS APPROPRIATE, home equity loans, ~~and~~  
8 home equity lines of credit, COMMERCIAL LOANS, AND COMMERCIAL  
9 LINES OF CREDIT that may, with respect to a particular applicant, represent  
10 viable alternatives for financing new energy improvements;

11 (g) Take appropriate steps to monitor the quality of new energy  
12 improvements for which the district has made reimbursement or a direct  
13 payment if deemed necessary by the board, measure the total energy  
14 savings achieved by the program, monitor the total number of program  
15 participants, the total amount paid to contractors, the number of jobs  
16 created by the program, the number of defaults by program participants,  
17 and the total losses from the defaults, and calculate the total amount of  
18 bonds issued by the district. On or before March 1, ~~2011~~ 2014, and on or  
19 before each subsequent March 1, the district shall report to the state,  
20 veterans, and military affairs committees of the general assembly, or any  
21 successor committees, regarding the information obtained as required by  
22 this paragraph (g);

23 (h) DEVELOP PROGRAM GUIDELINES GOVERNING THE TERMS AND  
24 CONDITIONS UNDER WHICH PRIVATE THIRD-PARTY FINANCING, OTHER  
25 THAN THAT OBTAINED THROUGH ISSUANCE OF A DISTRICT BOND, IS  
26 AVAILABLE TO QUALIFIED APPLICANTS THROUGH THE PROGRAM AND, IN  
27 CONNECTION THEREWITH, MAY SERVE AS AN AGGREGATING ENTITY FOR

1 THE PURPOSE OF SECURING PRIVATE THIRD-PARTY FINANCING FOR NEW  
2 ENERGY IMPROVEMENTS PURSUANT TO THIS ARTICLE; AND

3 (i) IN CONNECTION WITH THE FINANCING OF NEW ENERGY  
4 IMPROVEMENTS EITHER BY THIRD PARTIES PURSUANT TO PARAGRAPH (h)  
5 OF THIS SUBSECTION (3) OR DISTRICT BONDS AND IN CONSULTATION WITH  
6 REPRESENTATIVES FROM THE BANKING INDUSTRY, COUNTIES,  
7 MUNICIPALITIES, AND PROPERTY OWNERS, DEVELOP THE PROCESSES TO  
8 ENSURE THAT MORTGAGE HOLDER CONSENT IS OBTAINED IN ALL CASES  
9 FOR ALL ELIGIBLE REAL PROPERTY PARTICIPATING IN THE PROGRAM TO  
10 SUBORDINATE THE PRIORITY OF SUCH MORTGAGES TO THE PRIORITY OF  
11 THE LIEN ESTABLISHED IN SECTION 32-20-107.

12 (4) The district shall establish underwriting guidelines that  
13 consider program applicants' qualifications, credit-worthiness, home OR  
14 COMMERCIAL BUILDING equity, and other appropriate factors, including  
15 ~~but not limited to~~ credit reports, credit scores, and loan-to-value ratios,  
16 consistent with good and customary lending practices, and as required in  
17 order for the district OR THIRD PARTIES to obtain a bond rating necessary  
18 for a successful bond sale. The district shall also arrange for an  
19 appropriate loss reserve in order to obtain the necessary bond rating.

20 **SECTION 5.** In Colorado Revised Statutes, 32-20-106, **amend**  
21 (1) and (2) (b); and **repeal** (2) (a) and (2) (c) as follows:

22 **32-20-106. Special assessments - determination of special**  
23 **benefits - notice and hearing requirements - certification of**  
24 **assessment roll - manner of collection.** (1) The approval by the district  
25 of a program application shall establish the qualified applicant who  
26 submitted the application as a district member, include the qualified  
27 applicant's eligible real property within the boundaries of the district.

1 entitle the district member to reimbursement or a direct payment, and,  
2 subject to the provisions of subsection (3) of this section, constitute the  
3 consent of the district member to the levying of a special assessment on  
4 the district member's eligible real property in an amount that does not  
5 exceed the value of:

6 (a) The special benefit provided to the eligible real property by the  
7 new energy improvement; OR

8 (b) THE ELIGIBLE REAL PROPERTY.

9 (2) For the purpose of determining the amount of the special  
10 assessment to be levied on a particular unit of eligible real property within  
11 the district, "special benefit" includes, but is not limited to:

12 (a) ~~Any increase in the market value of the eligible real property~~  
13 ~~resulting from the completion of a new energy improvement;~~

14 (b) Any cost of completing a new energy improvement that is  
15 defrayed by reimbursement or a direct payment; AND

16 (c) ~~Any reduction in energy-related utility bills for the eligible real~~  
17 ~~property caused by a quantifiable reduction in the energy consumption of~~  
18 ~~the eligible real property resulting from the completion of a new energy~~  
19 ~~improvement; and~~

20 == ==

21 **SECTION 6.** In Colorado Revised Statutes, 32-20-107, **amend**  
22 (1), (2), (4) (b), and (4) (f) as follows:

23 **32-20-107. Special assessment constitutes lien - filing - sale of**  
24 **property for nonpayment.** (1) (a) A special assessment, together with  
25 all interest thereon and penalties for default in payment thereof, and  
26 associated collection costs ~~shall constitute~~ CONSTITUTES, from the date of  
27 the recording of the assessing resolution and assessment roll pursuant to

1 subsection (2) of this section, a perpetual lien in the amount assessed  
2 against the assessed eligible real property and ~~shall have~~ HAS priority over  
3 all other liens; except that:

4 (I) General tax liens ~~shall~~ have priority over district special  
5 assessment liens;

6 (II) A DISTRICT SPECIAL ASSESSMENT LIEN HAS PRIORITY OVER  
7 PREEXISTING LIENS ONLY IF EACH LIENHOLDER CONSENTS AS SPECIFIED IN  
8 SECTION 32-20-105 (3) (i) AND EACH CONSENT AND THE ASSESSMENT LIEN  
9 ARE RECORDED IN THE REAL ESTATE RECORDS OF THE COUNTY WHERE THE  
10 PROPERTY IS LOCATED. BEFORE THE RECORDING OF THE ASSESSMENT LIEN,  
11 THE APPLICANT MUST SUBMIT TO THE DISTRICT:

12 (A) WRITTEN CONSENT TO THE ASSESSMENT BY ALL INDIVIDUALS  
13 OR ENTITIES SHOWN ON A COMMITMENT OF TITLE INSURANCE AS HOLDERS  
14 OF MORTGAGES OR DEEDS OF TRUST ENCUMBERING THE APPLICANT'S  
15 PROPERTY; AND

16 (B) EVIDENCE THAT THERE ARE NO DELINQUENT TAXES, SPECIAL  
17 ASSESSMENTS, OR WATER OR SEWER CHARGES ON THE PROPERTY; THAT  
18 THE PROPERTY IS NOT SUBJECT TO A TRUST DEED OR OTHER LIEN ON WHICH  
19 THERE IS A RECORDED NOTICE OF DEFAULT, FORECLOSURE, OR  
20 DELINQUENCY THAT HAS NOT BEEN CURED; AND THAT THERE ARE NO  
21 INVOLUNTARY LIENS, INCLUDING A LIEN ON REAL PROPERTY OR ON THE  
22 PROCEEDS OF A CONTRACT RELATING TO REAL PROPERTY, FOR SERVICES,  
23 LABOR, OR MATERIALS FURNISHED IN CONNECTION WITH THE  
24 CONSTRUCTION OR IMPROVEMENT OF THE PROPERTY; and

25 (III) Liens for assessments imposed by other governmental entities  
26 ~~shall~~ have coequal priority with district special assessment liens.

27 (b) Neither the sale of eligible real property in the district to

1 enforce the payment of general ad valorem taxes nor the issuance of a  
2 treasurer's deed in connection with ~~such a~~ THE sale ~~shall extinguish~~  
3 EXTINGUISHES the lien of a special assessment. If ASSESSED eligible real  
4 property ~~assessed~~ is subdivided, the BOARD MAY APPORTION THE  
5 assessment lien ~~may be apportioned by the board~~ in ~~such~~ THE manner as  
6 ~~may be~~ provided in the assessing resolution.

7 (2) The district shall transmit to a county clerk and recorder of a  
8 county that includes eligible real property included in the district copies  
9 of the district's assessing resolution after its final adoption by the board  
10 and the assessment roll for recording on the land records of each unit of  
11 eligible real property assessed within the county as provided in article 30,  
12 35, or 36 of title 38, C.R.S. The assessing resolution and assessment roll  
13 shall be indexed in the grantor index under the name of the district  
14 member and in the grantee index under the Colorado new energy  
15 improvement district. In addition, the county clerk and recorder shall file  
16 copies of the assessing resolution, after its final adoption by the board,  
17 and the assessment roll with the county assessor and the county treasurer.  
18 The county assessor is authorized to create separate schedules for each  
19 unit of eligible real property assessed within the county pursuant to the  
20 resolution. IN ASSESSING THE VALUE OF ELIGIBLE REAL PROPERTY, THE  
21 COUNTY ASSESSOR SHALL NOT TAKE INTO ACCOUNT ANY INCREASE IN THE  
22 MARKET VALUE OF THE ELIGIBLE REAL PROPERTY RESULTING FROM THE  
23 COMPLETION OF A NEW ENERGY IMPROVEMENT.

24 (4) (b) At any sale by a county treasurer of any eligible real  
25 property for the purpose of paying a special assessment, the board may  
26 purchase the property for the district without paying for the property in  
27 cash and shall receive certificates of purchase for the property in the name

1 of the district. The certificates shall be received and credited at their face  
2 value, with all interest and penalties accrued, on account of the  
3 assessment installment in pursuance of which the sale was made. The  
4 ~~certificates~~ BOARD may thereafter ~~be sold by the board~~ SELL THE  
5 CERTIFICATES at their face value, with all interest and penalties accrued,  
6 and assigned to the purchaser in the name of the district. The BOARD  
7 SHALL CREDIT THE proceeds of the sale ~~shall be credited~~ to the fund  
8 created by resolution for the payment of ~~such~~ THE assessments,  
9 respectively; EXCEPT THAT, IF THE NEW ENERGY IMPROVEMENTS WERE  
10 FINANCED UNDER SECTION 32-20-105 (3) (h), THE BOARD SHALL CREDIT  
11 THE PROCEEDS OF THE SALE TO THE PRIVATE THIRD PARTY THAT FINANCED  
12 THE NEW ENERGY IMPROVEMENTS. If the district has repaid all special  
13 assessment bonds in full, the BOARD MAY SELL THE certificates ~~may be~~  
14 ~~sold by the board~~ for the best price obtainable at public sale, at auction,  
15 or by sealed bids in the same manner and under the same conditions as  
16 provided in paragraph (d) of this subsection (4). Such assignments ~~shall~~  
17 ~~be~~ ARE without recourse, and the sale and assignments ~~shall~~ operate as a  
18 lien in favor of the purchaser and assignee as is provided by law in the  
19 case of sale of real estate in default of payment of the general property  
20 tax.

21 (f) The BOARD SHALL CREDIT THE proceeds of any sale of property  
22 ~~shall be credited~~ to the appropriate special assessment fund; EXCEPT  
23 THAT, IF THE NEW ENERGY IMPROVEMENTS WERE FINANCED UNDER  
24 SECTION 32-20-105 (3) (h), THE BOARD SHALL CREDIT THE PROCEEDS OF  
25 THE SALE TO THE PRIVATE THIRD PARTY THAT FINANCED THE NEW ENERGY  
26 IMPROVEMENTS. The district shall deduct ~~therefrom~~ FROM THE  
27 APPROPRIATE SPECIAL ASSESSMENT FUND the necessary expenses in

1       securing deeds and taking proceedings for the sale or foreclosure.

2               **SECTION 7.** In Colorado Revised Statutes, 32-20-108, **amend**  
3       (1) and (8) as follows:

4               **32-20-108. Special assessment bonds - legal investment -**  
5       **exemption from taxation.** (1) The district shall issue special assessment  
6       bonds in an aggregate principal amount of not more than eight hundred  
7       million dollars for the purpose of generating the moneys needed to make  
8       reimbursement or a direct payment to district members and to pay other  
9       costs of the district. ~~The bonds~~ BOARD shall ~~be issued~~ ISSUE THE BONDS  
10      pursuant to a resolution of the board or a trust indenture, ~~shall~~ MUST not  
11      be secured by an encumbrance, mortgage, or other pledge of real or  
12      personal property of the district, and ~~shall be~~ ARE payable from special  
13      assessments, OTHER THAN THOSE ATTRIBUTABLE TO PRIVATE  
14      THIRD-PARTY FINANCING UNDER SECTION 32-20-105 (3) (h), and any other  
15      lawfully pledged district revenues unless the bond resolution or trust  
16      indenture specifically limits the source of district revenues from which  
17      the bonds are payable. ~~The bonds shall~~ DO not constitute a debt or other  
18      financial obligation of the state. The board may adopt one or more  
19      resolutions creating special assessment units comprised of multiple units  
20      of eligible real property on which the board has levied a special  
21      assessment and may issue special assessment bonds payable from special  
22      assessments imposed within the entire district, OTHER THAN THOSE  
23      ATTRIBUTABLE TO PRIVATE THIRD-PARTY FINANCING UNDER SECTION  
24      32-20-105 (3) (h), or from special assessments imposed only within one  
25      or more specified special assessment units.

26              (8) (a) The state hereby pledges and agrees with the holders of any  
27      bonds, PRIVATE THIRD PARTIES THAT HAVE FINANCED NEW ENERGY

1 IMPROVEMENTS UNDER SECTION 32-20-105 (3) (h), and ~~with~~ those parties  
2 who enter into contracts with the district pursuant to this article that the  
3 state will not limit, alter, restrict, or impair the rights vested in the district  
4 or the rights or obligations of any person with which the district contracts  
5 to fulfill the terms of any agreements made pursuant to this article. The  
6 state further agrees that it will not in any way impair the rights or  
7 remedies of:

8 (I) The holders of bonds until the bonds have been paid or until  
9 adequate provision for payment has been made; OR

10 (II) THE PRIVATE THIRD PARTIES THAT HAVE FINANCED NEW  
11 ENERGY IMPROVEMENTS UNDER SECTION 32-20-105 (3) (h).

12 (b) The district may include ~~this provision and undertaking for the~~  
13 ~~district~~ THE PROVISIONS SPECIFIED IN PARAGRAPH (a) OF THIS SUBSECTION  
14 (8) in its bonds OR CONTRACTS WITH PRIVATE THIRD PARTIES THAT HAVE  
15 FINANCED NEW ENERGY IMPROVEMENTS UNDER SECTION 32-20-105 (3)  
16 (h).

17 **SECTION 8.** In Colorado Revised Statutes, **repeal** 32-20-110 as  
18 follows:

19 **32-20-110. Repeal of article - inapplicable if the district has**  
20 **outstanding bond obligations.** ~~(1) Except as otherwise provided in~~  
21 ~~subsection (2) of this section, this article is repealed, effective January 1,~~  
22 ~~2016.~~

23 ~~(2) In accordance with section 32-20-108 (8), this article shall not~~  
24 ~~be repealed as provided in subsection (1) of this section if the district has~~  
25 ~~issued bonds that have not been repaid in full as of January 1, 2016.~~  
26 ~~However, the district shall not accept any new application for the program~~  
27 ~~or issue any additional bonds on or after January 1, 2016.~~

1           **SECTION 9. Applicability.** This act applies to conduct occurring  
2 on or after the effective date of this act.

3           **SECTION 10. Safety clause.** The general assembly hereby finds,  
4 determines, and declares that this act is necessary for the immediate  
5 preservation of the public peace, health, and safety.