

First Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 11-0556.02 Jason Gelender

HOUSE BILL 11-1047

HOUSE SPONSORSHIP

Jones,

SENATE SPONSORSHIP

Schwartz,

House Committees
Local Government

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE INCLUSION OF COMMERCIAL BUILDINGS IN THE
102 COLORADO NEW ENERGY IMPROVEMENT DISTRICT.

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 <http://www.leg.state.co.us/billsummaries>.)

The bill expands the scope of the new energy improvement program established by the Colorado new energy improvement district pursuant to the "New Energy Jobs Creation Act of 2010" by making commercial buildings, including buildings owned or used by nonprofit entities, eligible to be included in the district and making appropriate

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.

conforming amendments.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 32-20-102 (1) (b), Colorado Revised Statutes, is
3 amended to read:

4 **32-20-102. Legislative declaration.** (1) The general assembly
5 hereby finds and declares that:

6 (b) In many cases, the owner of eligible real property is unable to
7 fund a new energy improvement because the owner does not have
8 sufficient liquid assets to directly fund the improvement and is unable or
9 unwilling to incur the negative net cash flow likely to result if the owner
10 uses a typical home equity loan or line of credit, COMMERCIAL LOAN OR
11 LINE OF CREDIT, or other loan to fund the improvement.

12 **SECTION 2.** 32-20-103 (4), (7), and (11), Colorado Revised
13 Statutes, are amended, and the said 32-20-103 is further amended BY
14 THE ADDITION OF A NEW SUBSECTION, to read:

15 **32-20-103. Definitions.** As used in this article, unless the context
16 otherwise requires:

17 (1.5) "COMMERCIAL BUILDING" MEANS AN IMPROVEMENT TO REAL
18 PROPERTY THAT IS DESIGNED FOR USE PREDOMINANTLY AS A PLACE OF
19 BUSINESS FOR A FOR-PROFIT OR NONPROFIT ENTITY. THE TERM ALSO
20 INCLUDES ANY OTHER IMPROVEMENT OR CONNECTED LAND THAT IS BILLED
21 WITH THE IMPROVEMENT FOR PURPOSES OF AD VALOREM PROPERTY
22 TAXATION.

23 (4) "Eligible real property" means a COMMERCIAL BUILDING OR A
24 residential building, located within a county in which the district has been
25 authorized to conduct the program as required by section 32-20-105 (3),

1 on which or in which a new energy improvement to be financed by the
2 district has been or will be completed.

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

9 (11) "Reimbursement or a direct payment" means the payment by
10 the district to a district member, or on behalf of such a district member to
11 a contractor that has completed a new energy improvement to the district
12 member's eligible real property, of all or a portion of the cost of
13 completing a new energy improvement. Utility rebates offered to
14 program participants by a qualifying retail utility for the purpose of
15 compliance with renewable energy targets established in section
16 40-2-124, C.R.S., shall be subject to the retail rate impact cap established
17 pursuant to section 40-2-124 (1) (g) (I), C.R.S. The maximum amount of
18 reimbursement or a direct payment that may be made shall be the lowest
19 of the full cost of completing a new energy improvement, twenty percent
20 of the actual value, as specified in the records of the county assessor, of
21 the eligible real property to which the new energy improvement is made,
22 or, IN THE CASE OF AN IMPROVEMENT TO ELIGIBLE REAL PROPERTY THAT
23 IS A RESIDENTIAL BUILDING ONLY, twenty-five thousand dollars; except
24 that the twenty-five thousand dollar limit shall be adjusted by the district
25 for each calendar year commencing on or after January 1, 2012, based on
26 the consumer price index for the Denver-Boulder-Greeley metropolitan
27 statistical area for the state fiscal year that ends in the preceding calendar

1 year.

2 **SECTION 3.** 32-20-105 (3) (d), (3) (e), and (4), Colorado
3 Revised Statutes, are amended to read:

4 **32-20-105. District - purpose - general powers and duties -**
5 **new energy improvement program.** (3) The district shall establish,
6 develop, finance, and administer a new energy improvement program.
7 However, the district may conduct the program within any given county
8 only if the board of county commissioners of the county has adopted a
9 resolution authorizing the district to conduct the program within the
10 county. The program shall be designed to allow an owner of eligible real
11 property to apply to join the district, receive reimbursement or a direct
12 payment from the district, and consent to the levying of a special
13 assessment on the eligible real property specially benefited by a new
14 energy improvement for which the district makes reimbursement or a
15 direct payment. The district shall establish an application process for the
16 program, which may allow an owner of eligible real property to become
17 a qualified applicant by submitting an application to the district and which
18 may include one or more deadlines for the filing of an application. The
19 district may charge program application fees. In order to administer the
20 program, the district, acting directly or through a program administrator
21 or such other agents, employees, or professionals as the district may
22 appoint, hire, retain, or contract with, shall:

23 (d) Encourage any qualified applicant to obtain an online or
24 on-site home OR COMMERCIAL BUILDING energy audit in order to ensure
25 the efficient use of new energy improvement funding pursuant to this
26 article;

27 (e) Inform prospective program applicants and qualified

1 applicants of private financing options not provided by the district,
2 including but not limited to, AS APPROPRIATE, home equity loans and
3 home equity lines of credit AND COMMERCIAL LOANS AND COMMERCIAL
4 LINES OF CREDIT, that may, with respect to a particular applicant, represent
5 viable alternatives for financing new energy improvements;

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

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