

1 H.161

2 Introduced by Representatives Sweaney of Windsor, Donovan of Burlington

3 and Krawczyk of Bennington

4 Referred to Committee on

5 Date:

6 Subject: Municipal government; special assessments; clean energy financing

7 Statement of purpose: This bill proposes to allow towns, cities, and
8 incorporated villages to incur indebtedness or otherwise finance projects
9 relating to renewable energy or energy efficiency undertaken by owners of real
10 property within the boundaries of the municipality.

11 An act relating to clean energy assessment districts

12 It is hereby enacted by the General Assembly of the State of Vermont:

13 Sec. 1. FINDINGS

14 The general assembly finds that it is in the public interest for municipalities
15 to finance renewable energy projects and energy efficiency projects in light of
16 the goals set forth in section 578 of Title 10 (greenhouse gas reduction goals),
17 section 580 of Title 10 (25 by 25 state goal), and section 581 of Title 10
18 (building efficiency goals).

19 Sec. 2. 24 V.S.A. § 1751(3) is amended to read:

20 (3) "Improvement," shall include, apart from its ordinary signification;

1 (A) the acquiring of land for municipal purposes, the construction of,
2 extension of, additions to, or remodeling of buildings or other improvements
3 thereto, also furnishings, equipment or apparatus to be used for or in
4 connection with any existing or new improvement, work, department or other
5 corporate purpose, and also shall include the purchase or acquisition of other
6 capital assets, including licenses and permits, in connection with any existing
7 or new improvement benefiting the municipal corporation, and all costs
8 incurred by the municipality in connection with the construction or acquisition
9 of the improvement and the financing thereof, including without limitation
10 capitalized interest, underwriters discount, the funding of reserves and the
11 payment of contributions to establish eligibility and participation with respect
12 to loans made from any state revolving fund, to the extent such payment is
13 consistent with federal law;

14 (B) pursuant to subchapter 2 of chapter 87 of this title, projects
15 relating to renewable energy, as defined in subdivision 8002(2) of Title 30, or
16 to eligible energy efficiency projects undertaken by owners of real property
17 within the boundaries of the town, city, or incorporated village. Energy
18 efficiency projects shall be those that are eligible under section 3267 of this
19 title.

1 Sec. 3. 24 V.S.A. § 2291 is amended to read:

2 § 2291. ENUMERATION OF POWERS

3 For the purpose of promoting the public health, safety, welfare, and
4 convenience, a town, city, or incorporated village shall have the following
5 powers:

6 * * *

7 (23) Acting individually or in concert with other towns, cities, or
8 incorporated villages and pursuant to subchapter 2 of chapter 87 this title, to
9 incur indebtedness or otherwise finance by any means permitted under chapter
10 53 of this title, projects relating to renewable energy, as defined in subdivision
11 8002(2) of Title 30, or to eligible energy efficiency projects undertaken by
12 owners of real property within the boundaries of the town, city, or incorporated
13 village. Energy efficiency projects shall be those that are eligible under section
14 3267 of this title.

15 Sec. 4. SUBCHAPTER DESIGNATION

16 24 V.S.A. chapter 87 §§ 3251 – 3256 shall be designated as:

17 Subchapter 1. General Provisions

18 Sec. 5. 24 V.S.A. § 3252 is amended to read:

19 § 3252. PURPOSE OF ASSESSMENTS

20 Special assessments may be made for the purchase, construction, repair,
21 reconstruction, or extension of a water system or sewage system, or any other

1 public improvement which is of benefit to a limited area of a municipality to
2 be served by the improvement, including those projects authorized under
3 subchapter 2 of this chapter.

4 Sec. 6. 24 V.S.A. chapter 87, subchapter 2 is added to read:

5 Subchapter 2. Clean Energy Assessments

6 § 3261. CLEAN ENERGY ASSESSMENT DISTRICTS; APPROVAL OF
7 VOTERS

8 (a) The legislative body of a town, city, or incorporated village may submit
9 to the voters of the municipality the question of whether to designate the
10 municipality as a clean energy assessment district. In a clean energy
11 assessment district, only those property owners who have entered into written
12 agreements with the municipality under section 3262 of this title would be
13 subject to a special assessment, as set forth in section 3255 of this title.

14 (b) Upon a vote of approval by a majority of the qualified voters of the
15 municipality voting at an annual or special meeting duly warned for that
16 purpose, the municipality may incur indebtedness or otherwise finance projects
17 relating to renewable energy, as defined in subdivision 8002(2) of Title 30, or
18 to eligible projects relating to energy efficiency as defined by section 3267 of
19 this title, undertaken by owners of real property within the boundaries of the
20 town, city, or incorporated village.

1 § 3262. CONSENT OF PROPERTY OWNERS

2 Upon an affirmative vote made pursuant to section 3261 of this title, an
3 owner of real property within the boundaries of a clean energy assessment
4 district may enter into a written agreement with the municipality that shall
5 constitute the owner's consent to be subject to a special assessment, as set forth
6 in section 3255 of this title.

7 § 3263. COSTS OF OPERATION OF DISTRICT

8 The owners of real property who have entered into written agreements with
9 the municipality under section 3262 of this title shall be obligated to cover the
10 costs of operating the district. A municipality may use other available funds to
11 operate the district.

12 § 3264. RIGHTS OF PROPERTY OWNERS

13 A property owner who has entered into a written agreement with the
14 municipality under section 3262 of this title may enter into a private agreement
15 for the installation or construction of a project relating to renewable energy, as
16 defined in subdivision 8002(2) of Title 30, or relating to energy efficiency as
17 defined by section 3267 of this title.

18 § 3265. LIABILITY OF MUNICIPALITY

19 A municipality that incurs indebtedness or otherwise finances projects
20 under this subchapter shall not be liable for the failure of performance of a
21 project.

1 § 3266. INTERMUNICIPAL AGREEMENTS

2 Two or more municipalities, by resolution of their respective legislative
3 bodies or boards, may establish and enter into agreements for incurring
4 indebtedness or otherwise financing projects under this subchapter.

5 § 3267. ELIGIBLE ENERGY EFFICIENCY PROJECTS

6 Those entities appointed as energy efficiency utilities under subsection
7 209(d) of Title 30 shall develop a list of eligible energy efficiency projects and
8 shall make the list available to the public on or before July 1 of each year.

9 Sec. 7. 24 V.S.A. § 4592 is amended to read:

10 § 4592. SUPPLEMENTARY POWERS

11 The bank, in addition to any other powers granted in this chapter, has the
12 following powers:

13 * * *

14 (8) To the extent permitted under its contracts with the holders of bonds
15 or notes of the bank, to consent to any modification of the rate of interest, time
16 and payment of any installment of principal or interest, security or any other
17 term of bond or note, contract or agreement of any kind to which the bank is a
18 party; ~~and~~

19 (9) To issue its bonds or notes which are secured by neither the reserve
20 fund nor the revenue bond reserve fund, but which may be secured by such
21 other funds and accounts as may be authorized by the bank from time to time;

1 (10) To issue bonds, other forms of indebtedness, or other financing
2 obligations for projects relating to renewable energy, as defined in subdivision
3 8002(2) of Title 30, or to energy efficiency projects under subchapter 2 of
4 chapter 87 of this title.