COLORADO WATER CONGRESS
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HB23-1005

LONG TITLE: Concerning changes to the new energy improvement program, and, in connection therewith, adding resiliency improvements and water efficiency improvements to the program, modifying the new energy improvement district's notice requirements, and removing the district's hearing requirement.

SHORT TITLE: New Energy Improvement Program Changes

SPONSORS: Reps. Wilford and Titone/Sen. Jaquez-Lewis

COMMITTEES: House Energy & Environment Committee

PURPOSE OF THE BILL: The bill makes changes to an existing program that was created in 2010 to encourage commercial and industrial property owners to make clean and efficient energy improvements by creating a financing mechanism through formation of a district. The changes add water efficiency and resiliency to the types of improvements for which a property owner may participate in the district.

PROPONENTS OF THE BILL: Companies and individuals seeking ways to finance energy and water efficiency projects for commercial and industrial buildings.

POTENTIAL STAKEHOLDERS: Commercial building owners, local governments

Is this bill necessary this year? There is no deadline.

BACKGROUND: The Colorado New Energy Improvement District (NEID), a statewide special district authorized by C.R.S. 32-20-104 et. seq. The NEID governs Property Assessed Clean Energy financing in Colorado. The Colorado New Energy Improvement District is governed by a Board of Directors pursuant to 32-20-104 C.R.S. Membership includes representatives from the Colorado Energy Office, the real estate development industry, financial institutions, energy efficiency and renewable energy industries and public utilities. The District's boundaries are determined by counties that opt to join the District through a resolution of a Board of County Commissioners. Commercial and industrial building owners in those counties are eligible to participate in the program. As of October 2019, the C-PACE program has 31 of Colorado's 64 counties opted into the District. For more information about the opt-in process, visit the program's website. The improvements are paid for by a voluntary property tax assessment over a repayment term of up to 25 years. This tax is collected by county treasurers and passed onto the district, except for a one percent collection fee which is retained by the county to cover administrative expenses.

How does the bill change current law? It adds water efficiency and resiliency to the types of improvements that may be financed. It also removes the requirement requirements for the district to give notice about a hearing, conduct a hearing, and pass a resolution resolving complaints or objections. Instead of notifying district members and existing lienholders about the availability of a hearing, the bill requires the district to send a notice of assessment, which specifies the amount of the special assessment to be levied on the eligible real property, explains that the special assessment constitutes a lien against the eligible real property, and explains that the district is not a party to any private financing agreements.

Does the bill affect the prior appropriations system? No

How is the bill implemented? It appears to be self-executing, although an individual district may need to alter its bylaws and procedures.

Fiscal Impact: There should be no fiscal impact to the state. The Fiscal Note indicates a minimal increase to county revenues when they collect increased fees.