

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2644 Session of
2010

INTRODUCED BY GALLOWAY, FREEMAN, BELFANTI, BISHOP, BRIGGS,
CALTAGIRONE, COHEN, DALEY, DIGIROLAMO, FARRY, GOODMAN,
HORNAMAN, JOSEPHS, KOTIK, LENTZ, MANN, McILVAINE SMITH,
O'NEILL, PASHINSKI, PAYTON, READSHAW, SIPTROTH, WAGNER,
WANSACZ, WHEATLEY AND YUDICHAK, JULY 7, 2010

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, JULY 7, 2010

AN ACT

1 Providing for the Property Assessed Clean Energy Program;
2 authorizing municipalities and municipal authorities to
3 provide clean energy financing to residential and commercial
4 property owners.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the Property
9 Assessed Clean Energy Program Act.

10 Section 2. Declaration of policy.

11 The General Assembly finds and declares as follows:

12 (1) The production and efficient use of energy will
13 continue to play a central role in the future of this
14 Commonwealth and the nation as a whole.

15 (2) The development, production and efficient use of
16 renewable energy will advance the security, economic well-
17 being and public and environmental health of this

Commonwealth and will contribute to the energy independence of our nation.

(3) The financing of clean energy improvements and the powers conferred and expenditures made pursuant to this act will serve a valid public purpose. This act is expressly declared to be in the public interest.

Section 3. Definitions.

The following words and phrases when used in this act shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Energy efficiency improvement." Energy efficiency technologies, products and activities that reduce or support the reduction of energy consumption or support the production of clean, renewable energy and that are or will be permanently fixed to real property.

"Green wet weather infrastructure improvements." Improvements on residential, commercial or industrial real property and in buildings, whether the real property or buildings are privately or publicly owned, that maintain, restore or mimic natural systems to infiltrate, evapotranspire or recycle stormwater.

"Program." The Property Assessed Clean Energy Program established under section 4.

"Water efficiency improvements." Improvements designed to decrease water demand and usage on residential, commercial or industrial real property and in buildings, whether the real property or buildings are privately or publicly owned.

Section 4. Program.

(a) Program established.--The Property Assessed Clean Energy Program is established whereby municipalities and municipal

1 authorities are authorized to operate a financing program in
2 accordance with this act. The goals of the program are to:

3 (1) Provide capital at the lowest possible cost for the
4 purpose of supporting conservation, energy efficiency
5 improvement, water efficiency improvement, wet weather
6 infrastructure improvement and renewable energy projects for
7 residential and commercial structures.

8 (2) Expand and simplify the process of obtaining small-
9 scale local energy project financing.

10 (3) Leverage multiple sources of public and private
11 capital through a unified and strategic funding mechanism.

12 (4) Provide technical and financing information to the
13 public and to businesses.

14 (5) Foster energy savings.

15 (6) Stimulate job growth.

16 (7) Help to substantially reduce carbon emissions.

17 (b) Program.--

18 (1) The governing body of a municipality or municipal
19 authority may establish by ordinance or resolution a low-cost
20 alternative energy financing program to assist owners of real
21 property within the municipality or in the case of a
22 municipal authority, within the boundaries of the
23 municipality or municipalities that organized the authority,
24 with installing and implementing alternative energy
25 technologies, including, but not limited to, solar
26 photovoltaic, solar thermal energy, wind energy, geothermal
27 energy or energy efficiency technologies, products and
28 activities and wet weather infrastructure improvements that
29 reduce energy or water consumption or support the production
30 of clean, renewable energy on owners' real property.

1 (2) A municipality may administer a financing program or
2 opt to participate through a municipal authority. A
3 municipality that is governed by 53 Pa.C.S. Pt. VII Subpt. B
4 (relating to indebtedness and borrowing) may incur
5 indebtedness under 53 Pa.C.S. Pt. VII Subpt. B or may utilize
6 other funding, such as general fund revenue, for the purpose
7 of providing financing under this act. A municipal authority
8 shall provide financing under this act in accordance with its
9 authority under 53 Pa.C.S. Ch. 56 (relating to municipal
10 authorities). The financing of alternative energy
11 technologies pursuant to this act shall be treated as a
12 permitted project under 53 Pa.C.S. § 5607 (relating to
13 purposes and powers), and the provisions of 53 Pa.C.S. Ch. 56
14 shall apply to the program, except to the extent that 53
15 Pa.C.S. is inconsistent with the provisions of this act.

16 (c) Recipients.--A municipality or municipal authority may
17 provide financing under this act to:

18 (1) Residential property owners, including low-income
19 residential property owners, for the financing of energy
20 efficiency improvement, water efficiency improvement, wet
21 weather infrastructure improvement and renewable energy
22 projects.

23 (2) Commercial property owners for the financing of:

24 (i) Energy efficiency improvement projects.

25 (ii) Water efficiency improvement and wet weather
26 infrastructure improvement.

27 (iii) Renewable energy projects with an electric
28 generating capacity of not more than 100 kilowatts.

29 (d) Assessments.--A municipality or a municipal authority
30 undertaking clean energy financing may assess the cost of the

1 financing, plus reasonable administrative costs and at a
2 reasonable rate of interest, against property benefited or
3 improved thereby to the extent of such benefits, provided that
4 the assessments shall not be made unless all owners of such
5 property have consented in writing to the financing and
6 assessment. The municipality or a municipal authority may, by
7 ordinance or resolution, authorize payment of assessments in
8 equal installments over a fixed period of time.

9 (e) Claims.--Except as otherwise provided in this
10 subsection, claims to secure the payment of assessments shall be
11 entered in the prothonotary's office of the county at the same
12 time and in the same form and shall be filed and collected in
13 the same manner as municipal claims are filed and collected
14 pursuant to the act of May 16, 1923 (P.L.207, No.153), referred
15 to as the Municipal Claim and Tax Lien Law. Notwithstanding the
16 provisions of this section as to installment payments and the
17 collection thereof, the claim shall be filed for the entire
18 amount of the assessment.

19 (f) Default.--In the case of a default in the payment of any
20 installment, the municipality or municipal authority shall not
21 obtain a judgment or otherwise initiate collection proceedings
22 for any amount in excess of installments that are delinquent for
23 a period of 60 days after the date due plus reasonable attorney
24 fees and costs of collection as may be authorized by law.

25 (g) Subsequent owner.--A seller shall notify a subsequent
26 purchaser of the existence of a lien for the assessment. The
27 lien for the assessment must be satisfied upon conveyance of the
28 property.

29 Section 5. Effective date.

30 This act shall take effect immediately.