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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 996 Session of  
2017

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INTRODUCED BY GALLOWAY, DAVIS, FRANKEL, DONATUCCI, SCHWEYER,  
D. COSTA, DIGIROLAMO AND BRIGGS, MARCH 28, 2017

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REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,  
MARCH 28, 2017

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AN ACT

1 Providing for property assessed clean energy programs; and  
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  
18 Commonwealth and will contribute to the energy independence

1 of our nation.

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

6 Section 3. Definitions.

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

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

15 "Green wet weather infrastructure improvements."  
16 Improvements on residential, commercial or industrial real  
17 property and in buildings, whether the real property or  
18 buildings are privately or publicly owned, that maintain,  
19 restore or mimic natural systems to infiltrate, evapotranspire  
20 or recycle storm water.

21 "Program." A property assessed clean energy program  
22 established in accordance with with section 4.

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

27 Section 4. Property assessed clean energy programs.

28 (a) Authorization.--Municipalities and municipal authorities  
29 may operate a financing program in accordance with this act. The  
30 goals of the program shall be to:

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

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

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

10          (4) Provide technical and financing information to the  
11 public and to businesses.

12          (5) Foster energy savings.

13          (6) Stimulate job growth.

14          (7) Help to substantially reduce carbon emissions.

15       (b) Financing program.--

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

29           (2) A municipality may administer a financing program or  
30 opt to participate through a municipal authority. A

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

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

17 (1) Residential property owners, including low-income  
18 residential property owners, for the financing of:

19 (i) Energy efficiency improvement projects.

20 (ii) Water efficiency improvement and wet weather  
21 infrastructure improvement projects.

22 (iii) Renewable energy 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 projects.

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

29 (d) Assessments.--A municipality or 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 to the extent of the benefits, provided that the  
4 assessments shall not be made unless all owners of the property  
5 have consented in writing to the financing and assessment. The  
6 municipality or municipal authority may, by ordinance or  
7 resolution, authorize payment of assessments in equal  
8 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 under the act of May 16, 1923 (P.L.207, No.153), referred to as  
15 the Municipal Claim and Tax Lien Law. Notwithstanding the  
16 provisions of this section as to installment payments and the  
17 collection of installment payments, the claim shall be filed for  
18 the entire 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 may 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 or any reasonable  
24 attorney fees and costs of collection as may be authorized by  
25 law.

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

30 Section 5. Effective date.

1 This act shall take effect immediately.