



**Colorado
Legislative
Council
Staff**

HB17-1363

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-1212

Date: May 1, 2017

Prime Sponsor(s): Rep. Hansen

Bill Status: House Transportation

Sen. Martinez Humenik

Fiscal Analyst: Larson Silbaugh (303-866-4720)

BILL TOPIC: EXEMPT NEW ENERGY REQUIREMENT IF NOT SUBORDINATE LIEN

Summary of Legislation

Under current law, property owners that participate in the Colorado Property Assessed Clean Energy (PACE) program must inform title insurance companies of the new assessment. The New Energy Impact District (NEID), which manages the program must hold a hearing to notify lien holders of the special assessment. The bill exempts property owners from the title commitment and hearing requirements if the owner is not seeking to subordinate the priority of existing liens when using the PACE program.

Background

The PACE program allows property owners to finance up to 100 percent of up-front energy efficiency, renewable energy, and water conservation improvements through a special assessment on their property tax bill. The special assessment allows the building improvements to be paid over time even if the property sells. Property owners voluntarily join the special district to gain access to financing and allow the administration of the special assessment. Like property taxes, the special assessment takes priority over other mortgages on the property. County treasurers collect the special assessment on participating properties when property taxes are collected.

Assessment

The bill eliminates the hearing and title insurance requirements when a property owner is not seeking to subordinate the priority of existing mortgages on the property. Because the NEID has not launched an active residential PACE program, primarily because challenges related to the title commitment and hearing requirements for residential properties, this bill's elimination of the hearings will not drive a fiscal impact to the NEID. As such, this bill is assessed as having no fiscal impact.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Counties County Treasurers Colorado Energy Office Special Districts