

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. **1147**

03/04/2013 Authored by Dehn, R.; Hansen; Hortman and Morgan
The bill was read for the first time and referred to the Committee on Energy Policy
03/13/2013 Adoption of Report: Pass and Read Second Time

1.1 A bill for an act
1.2 relating to energy; defining terms in the energy improvements program for local
1.3 governments; amending Minnesota Statutes 2012, sections 216C.435, subdivision
1.4 8, by adding a subdivision; 216C.436, subdivision 2; 429.101, subdivision 2.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2012, section 216C.435, is amended by adding a
1.7 subdivision to read:

1.8 Subd. 3a. **Cost-effective energy improvements.** "Cost-effective energy
1.9 improvements" mean energy improvements that have been identified in an energy audit
1.10 or renewable energy system feasibility study as repaying their purchase and installation
1.11 costs in 20 years or less, based on the amount of future energy saved and estimated future
1.12 energy prices.

1.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1.14 Sec. 2. Minnesota Statutes 2012, section 216C.435, subdivision 8, is amended to read:

1.15 Subd. 8. **Qualifying real property.** "Qualifying real property" means a
1.16 single-family or multifamily residential dwelling, or a commercial or industrial building,
1.17 that the implementing entity has determined, after review of an energy audit or renewable
1.18 energy system feasibility study, can be benefited by installation of cost-effective energy
1.19 improvements.

1.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1.21 Sec. 3. Minnesota Statutes 2012, section 216C.436, subdivision 2, is amended to read:

Subd. 2. **Program requirements.** A financing program must:

(1) impose requirements and conditions on financing arrangements to ensure timely repayment;

(2) require an energy audit or renewable energy system feasibility study to be conducted on the qualifying real property and reviewed by the implementing entity prior to approval of the financing;

(3) require the inspection of all installations and a performance verification of at least ten percent of the energy improvements financed by the program;

(4) not prohibit the financing of all cost-effective energy improvements not otherwise prohibited by this section;

(5) require that all cost-effective energy improvements be made to a qualifying real property prior to, or in conjunction with, an applicant's repayment of financing for energy improvements for that property;

~~(5)~~ (6) have energy improvements financed by the program performed by licensed contractors as required by chapter 326B or other law or ordinance;

~~(6)~~ (7) require disclosures to borrowers by the implementing entity of the risks involved in borrowing, including the risk of foreclosure if a tax delinquency results from a default;

~~(7)~~ (8) provide financing only to those who demonstrate an ability to repay;

~~(8)~~ (9) not provide financing for a qualifying real property in which the owner is not current on mortgage or real property tax payments;

~~(9)~~ (10) require a petition to the implementing entity by all owners of the qualifying real property requesting collections of repayments as a special assessment under section 429.101;

~~(10)~~ (11) provide that payments and assessments are not accelerated due to a default and that a tax delinquency exists only for assessments not paid when due; and

~~(11)~~ (12) require that liability for special assessments related to the financing runs with the qualifying real property.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 4. Minnesota Statutes 2012, section 429.101, subdivision 2, is amended to read:

Subd. 2. **Procedure for assessment.** Any special assessment levied under subdivision 1 shall be payable in a single installment, or by up to ten equal annual installments as the council may provide, except that a special assessment made under an energy improvements financing program under subdivision 1, paragraph (c), may be

- 3.1 repayable in up to 20 equal installments. With ~~this exception~~ these exceptions, sections
- 3.2 429.061, 429.071, and 429.081 shall apply to assessments made under this section.
- 3.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.