

WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2009 Wisconsin Act 272 [2009 Senate Bill 624]

Energy and Water Efficiency Improvement Loans

A municipality (a city, village, or town) may impose a special charge against real property for current services rendered by allocating all or part of the cost of the services to property served. A "service" includes snow and ice removal, weed elimination, sidewalks, or curb and gutter repair, garbage and refuse disposal, recycling, storm water management, tree care, and other similar services that are not specified in the definition. Generally, these special charges are not payable in installments. If a special charge is not paid within the time specified by the municipality, the special charge is delinquent and becomes a lien on the property against which it is imposed.

Under a provision created by 2009 Wisconsin Act 28, a political subdivision (a municipality or county) may make a loan to the resident of the political subdivision for making or installing an energy efficiency improvement or a renewable resource application to the resident's residential property. The political subdivision may collect the loan repayment as a special charge. A special charge that is imposed for such a loan repayment may be collected in installments and may be included as a charge on the resident's property tax bill, even if the special charge is not delinquent.

Wisconsin Act 272 expands the entities to which a political subdivision may make energy efficiency loans to include commercial and industrial premises located in the political subdivision, and also authorizes a political subdivision to make similar loans for water efficiency improvements. Loan repayments for water efficiency improvements may also be collected as a special charge, paid in installments, and be included on the loan recipient's property tax bill just as loan repayments may be collected for energy efficiency improvements.

The Act also authorizes a political subdivision to enter into a loan repayment agreement with the owner or lessee of premises located in the political subdivision under which the owner or lessee obtains a loan from a private lender for energy or water efficiency improvements, or a renewable resources application, to the premise. Under the legislation, the political subdivision could than act as a conduit by collecting the loan repayment as a special charge and forwarding the amount collected to the lender.

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <u>http://www.legis.state.wi.us/</u>.

- *Effective date:* The Act takes effect on May 25, 2010.
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