

State of Misconsin 2009 - 2010 LEGISLATURE

## 2009 ASSEMBLY BILL 876

March 19, 2010 – Introduced by Representatives FIELDS, CULLEN and SOLETSKI, cosponsored by Senators LEHMAN and SULLIVAN. Referred to Committee on Energy and Utilities.

AN ACT *to amend* 66.0627 (title), 66.0627 (1) (a) and 66.0627 (8); and *to create* 66.0627 (1) (d) of the statutes; **relating to:** expanding the authority of political subdivisions to make residential energy efficiency improvement loans, and authorizing political subdivisions to make water efficiency improvement loans and impose special charges for the loans.

#### Analysis by the Legislative Reference Bureau

Under current law, a municipality (a city, village, or town) is authorized to impose a special charge against real property for current services rendered by allocating all or part of the cost of the service to the property served. A "service" under current law 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, 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.

Also under current law, as created by 2009 Wisconsin Act 11, a political subdivision (a municipality or county) may make a loan to a resident of the political subdivision for making or installing an energy efficiency improvement or a renewable resource application to the resident's residential property. Current law also authorizes the political subdivision to collect the loan repayment as a special charge. A special charge that is imposed for such a loan repayment may be collected

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in installments and may be included as a charge on the resident's property tax bill even if the special charge is not delinquent.

This bill 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 such loan repayments may be collected for energy efficiency improvements.

The bill 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 premises. Under the bill, the political subdivision could then act as a conduit by collecting the loan repayment as a special charge and forwarding the amount collected to the lender.

For further information see the *local* fiscal estimate, which will be printed as an appendix to this bill.

# The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

**SECTION 1.** 66.0627 (title) of the statutes, as affected by 2009 Wisconsin Act 11,

- 2 is amended to read:
- 3 66.0627 (title) Special charges for current services and energy and
- 4 <u>water</u> efficiency improvement loans.
- 5 SECTION 2. 66.0627 (1) (a) of the statutes, as created by 2009 Wisconsin Act 11,
- 6 is amended to read:
- 7 66.0627 (1) (a) "Energy efficiency improvement" means an improvement to a
- 8 residential, commercial, or industrial premises that reduces the usage of energy, or
- 9 increases the efficiency of energy usage, at the premises.
- 10 SECTION 3. 66.0627 (1) (d) of the statutes is created to read:

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1	66.0627 (1) (d) "Water efficiency improvement" means an improvement to a
2	residential, commercial, or industrial premises that reduces the usage of water, or
3	increases the efficiency of water usage, at the premises.
4	SECTION 4. 66.0627 (8) of the statutes, as created by 2009 Wisconsin Act 11, is
5	amended to read:
6	66.0627 (8) A political subdivision may make a loan to a resident of an owner
7	or lessee of a premises located in the political subdivision for making or installing an
8	energy efficiency improvement, a water efficiency improvement, or a renewable
9	resource application to the <del>resident's residential property <u>premises</u>, or enter into an</del>
10	agreement with the owner or lessee regarding loan repayments to a 3rd party for
11	owner-arranged or lessee-arranged financing for such purposes. If a political
12	subdivision makes such a loan or enters into such an agreement, the political
13	subdivision may collect the loan repayment as a special charge under this section.
14	Notwithstanding the provisions of sub. (4), a special charge imposed under this
15	subsection may be collected in installments and may be included in the current or
16	next tax roll for collection and settlement under ch. 74 even if the special charge is
17	not delinquent.

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(END)