

2009 DRAFTING REQUEST

Bill

Received: **02/19/2010**

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Jim Sullivan (608) 266-2512**

By/Representing: **Steve**

This file may be shown to any legislator: **NO**

Drafter: **mshovers**

May Contact: **Jeff Vercauteren (251-0101) or Lee Cullen @ Cullen, Weston, Pines, & Bach**

Adl. Drafters:

Subject: **Local Gov't - munis generally
Local Gov't - counties**

Extra Copies: **EVM, MDK**

Submit via email: **YES**

Requester's email: **Sen.Sullivan@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Political subdivisions may issue loans to individuals and business for water efficiency improvement; special assessments

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			Local
/1	mshovers 02/23/2010	csicilia 02/26/2010	jfrantze 02/26/2010	_____	mbarman 02/26/2010	cduerst 03/10/2010 cduerst 03/11/2010	

*- sent to
Sen. Lehman's
Per
MES
office*

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

FE Sent For: "1" @ intro. 3/17/10

<END>

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/1	mshovers 02/23/2010	csicilia 02/26/2010	jfrantze 02/26/2010	_____	mbarman 02/26/2010	cduerst 03/10/2010	

Jacket sent to Sen. Deckers office attached email. Per

FE Sent For:

<END>

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1?	mshovers	1/19/25	JG	2/24			
1/1NES	2/22/10	10					

FE Sent For:

<END>

Shovers, Marc

From: Kulig, Steven
Sent: Wednesday, February 17, 2010 12:44 PM
To: Shovers, Marc
Subject: FW: Legislative Measure
Attachments: 02-05 Draft PACE Legislation.doc

Hi Marc,

I called the front desk about drafting the bill attached and they directed me to you. Let me know if you are the right person or who you think I should contact. Below are further drafting instructions. If you have any questions I give you permission to speak with Lee Cullen for clarification.

Thanks,

Steven Kulig
Office of State Senator Jim Sullivan
State Capitol Room 15 South
PO Box 7882
Madison, WI 53707-7882
608-266-2512

From: Lee Cullen [mailto:cullen@cwpb.com]
Sent: Tuesday, February 16, 2010 5:02 PM
To: Kulig, Steven
Cc: Curt Pawlisch
Subject: Legislative Measure

Steve - per your e-mail exchanges with Curt Pawlisch, attached are the drafting instructions for the measure proposed by Johnson Controls. It does three things:

1. Extends existing authority of municipalities to make loans to residential premises for energy-efficiency measures to commercial and industrial premises (and to collect the loan repayments as a special charge on the property);
2. Allows municipalities to agree with owners of premises to collect owner-arranged financing through this same mechanism; and
3. Expands the authority to make such loans to water efficiency improvements.

We would be happy to discuss this measure with the LRB drafter.

Lee Cullen
Cullen Weston Pines & Bach LLP
122 West Washington Ave., Suite 900
Madison, WI 53703
E-Mail- cullen@cwpb.com
Office- (608) 251-0101
Fax- (608) 251-2883

2/17/2010

www.cwpb.com

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SECTION 1. 66.0627(1)(a) of the statutes is amended to read:

66.0627(1)(a). “Energy efficiency improvement” means an improvement to a residential, commercial, or industrial premises that reduces the usage of energy, or increases the efficiency of energy usage, at the premises.

SECTION 2. 66.0627(1)(d) of the statutes is added to read:

66.0627(1)(d). “Water efficiency improvement” means an improvement to a residential, commercial, or industrial premises that reduces the usage of water, or increases the efficiency of water usage, at the premises.

SECTION 3. 66.0627(8) of the statutes is amended to read:

66.0627(8). A political subdivision may make a loan to an owner or lessee of a premises located in—resident—of the political subdivision for making or installing an energy efficiency improvement, a water efficiency improvement, or a renewable resource application to the premises—resident’s residential property, or enter into an agreement with the owner or lessee regarding loan repayments to a third party for such purposes. If a political subdivision makes such a loan or enters into such an agreement, the political subdivision may collect the loan repayment as a special charge under this section. Notwithstanding the provisions of sub. (4), a special charge imposed under this subsection may be collected in installments and may be included in the current or next tax roll for collection and settlement under ch. 74 even if the special charge is not delinquent.

Shovers, Marc

From: Kulig, Steven
Sent: Friday, February 19, 2010 10:03 AM
To: 'Jeffrey Vercauteren'
Cc: Shovers, Marc
Subject: RE: Legislative Measure

Hey Jeff,

Marc Shovers is drafting the bill. I have given him permission to contact you if he had any questions. If you would like to contact Marc, his number is 608-266-0129.

Thanks,

Steven Kulig
Office of State Senator Jim Sullivan
State Capitol Room 15 South
PO Box 7882
Madison, WI 53707-7882
608-266-2512

From: Jeffrey Vercauteren [mailto:jvercauteren@cwpb.com]
Sent: Friday, February 19, 2010 9:23 AM
To: Kulig, Steven
Subject: Re: Legislative Measure

Steve,

Lee asked me to follow up with you on this to see if you know which LRB drafter is working on this bill. We would like to encourage the drafter to give this priority, given its importance with regard to enabling use of Recovery Act funding. We also have one minor clarification to the language that we will have ready later today. If you are okay with it, I can contact the drafter directly to communicate these two items.

Thanks,

Jeff Vercauteren
Cullen Weston Pines & Bach LLP
122 West Washington Avenue, Suite 900
Madison, WI 53703-2718
vercauteren@cwpb.com
Office: (608) 251-0101
Fax: (608) 251-2883
www.cwpb.com

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>>> Lee Cullen 2/16/2010 5:02 PM >>>

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1. Extends existing authority of municipalities to make loans to residential premises for energy-efficiency measures to commercial and industrial premises (and to collect the loan repayments as a special charge on the property);
2. Allows municipalities to agree with owners of premises to collect owner-arranged financing through this same mechanism; and
3. Expands the authority to make such loans to water efficiency improvements.

We would be happy to discuss this measure with the LRB drafter.

Lee Cullen
Cullen Weston Pines & Bach LLP
122 West Washington Ave., Suite 900
Madison, WI 53703
E-Mail- cullen@cwpb.com
Office- (608) 251-0101
Fax- (608) 251-2883
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Shovers, Marc

From: Jeffrey Vercauteren [jvercauteren@cwpb.com]
Sent: Friday, February 19, 2010 12:07 PM
To: Shovers, Marc
Subject: PACE Legislation
Attachments: 02-19 Draft PACE Legislation.doc

Marc,

As discussed, attached is the revised draft with one clarification to the language in section 3. Thanks for your work on this.

Jeff Vercauteren
Cullen Weston Pines & Bach LLP
122 West Washington Avenue, Suite 900
Madison, WI 53703-2718
vercauteren@cwpb.com
Office: (608) 251-0101
Fax: (608) 251-2883
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SECTION 1. 66.0627(1)(a) of the statutes is amended to read:

66.0627(1)(a). “Energy efficiency improvement” means an improvement to a residential, commercial, or industrial premises that reduces the usage of energy, or increases the efficiency of energy usage, at the premises.

SECTION 2. 66.0627(1)(d) of the statutes is added to read:

66.0627(1)(d). “Water efficiency improvement” means an improvement to a residential, commercial, or industrial premises that reduces the usage of water, or increases the efficiency of water usage, at the premises.

SECTION 3. 66.0627(8) of the statutes is amended to read:

66.0627(8). A political subdivision may make a loan to an owner or lessee of a premises located in ~~resident~~ of the political subdivision for making or installing an energy efficiency improvement, a water efficiency improvement, or a renewable resource application to the premises resident’s residential property, or enter into an agreement with the owner or lessee regarding loan repayments to a third party for owner- or lessee-arranged financing for such purposes. If a political subdivision makes such a loan or enters into such an agreement, the political subdivision may collect the loan repayment as a special charge under this section. Notwithstanding the provisions of sub. (4), a special charge imposed under this subsection may be collected in installments and may be included in the current or next tax roll for collection and settlement under ch. 74 even if the special charge is not delinquent.

Shovers, Marc

From: Jeffrey Vercauteren [jvercauteren@cwpb.com]
Sent: Friday, February 19, 2010 3:59 PM
To: Shovers, Marc
Subject: RE: PACE Legislation

Marc,

The bolded provision is intended to address arrangements where a building owner or lessee obtains a loan from a private lender for an improvement to the building. This provision allows a political subdivision to enter into a separate agreement with the owner/lessee whereby the political subdivision collects the loan repayment as a special charge on the property tax bill of the owner or lessee. The political subdivision then transfers the payment to the lender. The municipality acts as a conduit between the owner/lessee and lender, thereby providing a form of security for the loan through the special charge.

Jeff Vercauteren
 Cullen Weston Pines & Bach LLP
 122 West Washington Avenue, Suite 900
 Madison, WI 53703-2718
vercauteren@cwpb.com
 Office: (608) 251-0101
 Fax: (608) 251-2883
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>>> "Shovers, Marc" <Marc.Shovers@legis.wisconsin.gov> 2/19/2010 3:02 PM >>>
 Hi Jeff:

I was looking at the instructions for this request and I was wondering what this (bolded) part of the instructions means:

SECTION 3. 66.0627(8) of the statutes is amended to read:

66.0627(8). A political subdivision may make a loan to an owner or lessee of a premises located in ~~resident~~ of the political subdivision for making or installing an energy efficiency improvement, a water efficiency improvement, or a renewable resource application to the premises ~~resident's residential property,~~ **or enter into an agreement with the owner or lessee regarding loan repayments to a third party for owner- or lessee-arranged financing for such purposes.** If a political subdivision makes such a loan or enters into such an agreement,

2/19/2010

the political subdivision may collect the loan repayment as a special charge under this section. Notwithstanding the provisions of sub. (4), a special charge imposed under this subsection may be collected in installments and may be included in the current or next tax roll for collection and settlement under ch. 74 even if the special charge is not delinquent.

What kind of an arrangement is this, exactly? Who is getting the loan, and from whom? Who is making the loan repayments to the third party, and how is the political subdivision and special charges involved? Thanks.

Marc

Marc E. Shovers

Managing Attorney
Legislative Reference Bureau
Phone: (608-266-0129)
E-Mail: marc.shovers@legis.wisconsin.gov

From: Jeffrey Vercauteren [mailto:jvercauteren@cwpb.com]
Sent: Friday, February 19, 2010 12:07 PM
To: Shovers, Marc
Subject: PACE Legislation

Marc,

As discussed, attached is the revised draft with one clarification to the language in section 3. Thanks for your work on this.

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State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-43897

MES

FRIAM

Handwritten initials and a circled signature.

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

~~SOON~~

Star

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1 AN ACT ...; relating to: expanding the authority of political subdivisions to make
2 residential energy efficiency improvement loans, and authorizing political
3 subdivisions to make water efficiency improvement loans and impose special
4 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 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:

1 **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 **water efficiency improvement loans.**

5 ^{History: 1999 a. 150; 2007 a. 4, 184; 2009 a. 11.} **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 ^{History: 1999 a. 150; 2007 a. 4, 184; 2009 a. 11.} **SECTION 3.** 66.0627 (1) (d) of the statutes is created to read:

11 66.0627 (1) (d) "Water efficiency improvement" means an improvement to a
12 residential, commercial, or industrial premises that reduces the usage of water, or
13 increases the efficiency of water usage, at the premises.

X

1 SECTION 4. 66.0627 (8) of the statutes, as created by 2009 Wisconsin Act 11, is
2 amended to read:

3 66.0627 (8) A political subdivision may make a loan to a ~~resident of an owner~~
4 or lessee of a premises located in the political subdivision for making or installing an
5 energy efficiency improvement, a water efficiency improvement, or a renewable
6 resource application to the ~~resident's residential property premises~~, or enter into an
7 agreement with the owner or lessee regarding loan repayments to a third party for
8 owner- or lessee-arranged financing for such purposes. If a political subdivision
9 makes such a loan or enters into such an agreement, the political subdivision may
10 collect the loan repayment as a special charge under this section. Notwithstanding
11 the provisions of sub. (4), a special charge imposed under this subsection may be
12 collected in installments and may be included in the current or next tax roll for
13 collection and settlement under ch. 74 even if the special charge is not delinquent.

Arranged

3rd

History: 1999 a. 150; 2007 a. 4, 184; 2009 a. 11.

(END)

14

Duerst, Christina

From: Shovers, Marc
Sent: Wednesday, March 10, 2010 3:39 PM
To: Duerst, Christina
Subject: FW: LRB -4389

Please have this bill jacketed for Sen. Decker and have the jacket sent out as soon as possible. I received the following authorization from Sen. Sullivan's office:

Hey Marc,

I give you permission to release LRB 4389/1 to Senator Decker's office.

Thanks,

Steven Kulig
Office of State Senator Jim Sullivan
State Capitol Room 15 South
PO Box 7882
Madison, WI 53707-7882
608-266-2512

Thanks, Christina.

Marc

From: Walsh, Patrick H.
Sent: Wednesday, March 10, 2010 3:34 PM
To: Shovers, Marc
Subject: RE: LRB -4389

Thank you. Could you send over the stripes?

Patrick Walsh
Office of Senator Russ Decker
608-266-2502
Patrick.Walsh@legis.wisconsin.gov

From: Shovers, Marc
Sent: Wednesday, March 10, 2010 3:33 PM
To: Walsh, Patrick H.
Cc: Kulig, Steven
Subject: LRB -4389

Hi Patrick:

Steve asked that I forward you a copy of this draft.

<< File: 09-4389/1 >>

Marc

Marc E. Shovers

Managing Attorney

Legislative Reference Bureau

Phone: (608-266-0129)

E-Mail: marc.shovers@legis.wisconsin.gov

