

LOCAL

CONDITIONAL FISCAL IMPACT

Drafting Number: LLS 10-0452
Prime Sponsor(s): Sen. Schwartz
 Rep. Miklosi

Date: January 22, 2010
Bill Status: Senate Local Government & Energy
Fiscal Analyst: Marc Carey (303-866-4102)

TITLE: CONCERNING GREATER FINANCING FLEXIBILITY FOR LOCAL DISTRICTS ORGANIZED FOR PURPOSES RELATED TO ENERGY.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
State Expenditures		
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2010-2011: None required.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

Current law prohibits local improvement districts for energy efficiency and renewable energy improvements (energy LIDs) from crossing county boundaries. This bill allows energy LIDs to cross county boundaries and include properties in multiple counties, whether contiguous or non-contiguous, if county commissioners of the affected counties have entered into an intergovernmental agreement or memorandum of understanding to share district costs.

The bill also expands the definition of renewable energy improvements for energy LIDs formed by both counties and municipalities to include improvements located at a qualified community location rather than directly on a residential or commercial building.

Finally, the bill exempts county energy LIDs from certain public notice and county treasurer debt authorization requirements.

Background

HB 08-1350 authorized local governments to initiate special improvement districts to encourage and finance energy efficiency and renewable energy improvements, known as energy LIDs. Such districts include only properties whose owners have consented to being included in the district. The local government provides a loan to the property owner to finance the improvement. The loan is then repaid through a special assessment on the property owner's property tax bills.

The first example of an energy LID in Colorado was Boulder County's ClimateSmart loan program. In November 2008, voters in Boulder County authorized the creating of an energy LID and the issuance of bonds to provide financing for energy-related home improvements in the county. All local governments in the county have authorized the city to provide loans to homeowners, funded by the debt issuance and repaid through property tax assessments. In November 2009, voters in Pitkin, Eagle, and Gunnison counties granted similar authorization.

Local Government Impact

Counties that enter into agreements to form energy LIDs with other counties where energy improvement loans are repaid through special assessments may incur increased collection and administrative costs. Such costs may be somewhat offset by a decrease in administrative costs resulting from the exemption of energy LIDs from public notice and debt authorization requirements. Overall, the change in administrative costs is not expected to be large, and will not be impacted by the expanded definition of renewable energy improvements. This impact is conditional on counties choosing to form energy LIDs, either by themselves or with other counties.

Departments Contacted

Local Affairs