



Sen. Melinda Bush

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LRB101 09037 AWJ 60825 a

1 AMENDMENT TO HOUSE BILL 3501

2 AMENDMENT NO. _____. Amend House Bill 3501, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Property Assessed Clean Energy Act is
6 amended by changing Sections 5, 10, 15, 20, 25, 30, and 35 and
7 by adding Sections 42, 45, and 50 as follows:

8 (50 ILCS 50/5)

9 Sec. 5. Definitions. As used in this Act:

10 "Alternative energy improvement" means any fixture,
11 product, system, equipment, device, material, or interacting
12 group thereof intended ~~the installation or upgrade of~~
13 ~~electrical wiring, outlets, or charging stations~~ to charge a
14 motor vehicle that is fully or partially powered by
15 electricity, including, but not limited to, electrical wiring,
16 outlets, or charging stations.

1 "Assessment" means a special assessment imposed by a
2 governmental unit pursuant to an assessment contract.

3 "Assessment contract" means a voluntary written contract
4 between the applicable governmental ~~local unit of government~~
5 (or a permitted assignee) and record owner governing the terms
6 and conditions of financing and assessment under a program.

7 "Authority" means the Illinois Finance Authority.

8 "Capital provider" means any credit union, federally
9 insured depository institution, insurance company, trust
10 company, or other institution approved by a governmental unit
11 or its program administrator or program administrators that
12 finances or refinances an energy project by purchasing PACE
13 bonds issued by the governmental unit or the Authority for that
14 purpose. "Capital provider" also means any special purpose
15 vehicle that is directly or indirectly wholly owned by one or
16 more of the entities listed in this definition or any bond
17 underwriter.

18 ~~"PACE area" means an area within the jurisdictional~~
19 ~~boundaries of a local unit of government created by an~~
20 ~~ordinance or resolution of the local unit of government to~~
21 ~~provide financing for energy projects under a property assessed~~
22 ~~clean energy program. A local unit of government may create~~
23 ~~more than one PACE area under the program, and PACE areas may~~
24 ~~be separate, overlapping, or coterminous.~~

25 "Energy efficiency improvement" means any fixture,
26 product, system, equipment, device, material, or interacting

1 ~~group thereof devices, or materials~~ intended to decrease energy
2 consumption or enable ~~promote~~ a more efficient use of
3 electricity, natural gas, propane, or other forms of energy on
4 property, including, but not limited to, all of the following:

5 (1) insulation in walls, roofs, floors, foundations,
6 or heating and cooling distribution systems;

7 (2) energy efficient ~~storm~~ windows and doors,
8 multi-glazed windows and doors, heat-absorbing or
9 heat-reflective glazed and coated window and door systems,
10 and additional glazing, reductions in glass area, and other
11 window and door systems ~~system modifications~~ that reduce
12 energy consumption;

13 (3) automated energy or water control systems;

14 (4) high efficiency heating, ventilating, or
15 air-conditioning and distribution systems ~~system~~
16 ~~modifications or replacements~~;

17 (5) caulking, weather-stripping, and air sealing;

18 (6) ~~replacement or modification of~~ lighting fixtures
19 ~~to reduce the energy use of the lighting system~~;

20 (7) energy controls or recovery systems;

21 (8) day lighting systems;

22 (8.1) any energy efficiency project, as defined in
23 Section 825-65 of the Illinois Finance Authority Act; and

24 (9) any other fixture, product, system, installation
25 ~~or modification of~~ equipment, device, or material intended
26 ~~devices, or materials~~ approved as a utility or other

1 cost-savings measure as approved by the governmental unit
2 ~~governing body~~.

3 "Energy project" means the acquisition, construction,
4 installation, or modification of an alternative energy
5 improvement, energy efficiency improvement, renewable energy
6 improvement, resiliency improvement, or water use improvement,
7 ~~or the acquisition, installation, or improvement of a renewable~~
8 ~~energy system that is~~ affixed to real ~~a stabilized existing~~
9 property (including new construction).

10 "Governing body" means the legislative body, council,
11 board, commission, trustees, or any other body by whatever name
12 it is known having charge of the corporate affairs of a
13 governmental unit ~~county board or board of county commissioners~~
14 ~~of a county, the city council of a city, or the board of~~
15 ~~trustees of a village~~.

16 "Governmental Local unit of government" means any a county
17 or municipality, city, or village.

18 "PACE area" means an area within the jurisdictional
19 boundaries of a governmental unit created by an ordinance or
20 resolution of the governmental unit to provide financing for
21 energy projects under a property assessed clean energy program.
22 A governmental unit may create more than one PACE area under
23 the program and PACE areas may be separate, overlapping, or
24 coterminous.

25 "PACE bond" means any bond, note, or other evidence of
26 indebtedness representing an obligation to pay money,

1 including refunding bonds, issued under or in accordance with
2 Section 35.

3 "Permitted assignee" means (i) the Authority ~~any body~~
4 ~~politic and corporate,~~ (ii) any bond trustee, ~~or~~ (iii) any
5 capital provider ~~warehouse lender,~~ or (iv) any other assignee
6 of a governmental ~~local~~ unit ~~of government~~ designated by the
7 governmental unit in an assessment contract.

8 "~~Person~~" ~~means an individual, firm, partnership,~~
9 ~~association, corporation, limited liability company,~~
10 ~~unincorporated joint venture, trust, or any other type of~~
11 ~~entity that is recognized by law and has the title to or~~
12 ~~interest in property. "Person" does not include a local unit of~~
13 ~~government or a homeowner's or condominium association, but~~
14 ~~does include other governmental entities that are not local~~
15 ~~units of government.~~

16 "Program administrator" means a for-profit entity or a
17 not-for-profit ~~not for profit~~ entity that will administer a
18 program on behalf of or at the discretion of the governmental
19 unit ~~local unit of government.~~ ~~It or its affiliates,~~
20 ~~consultants, or advisors shall have done business as a program~~
21 ~~administrator or capital provider for a minimum of 18 months~~
22 ~~and shall be responsible for arranging capital for the~~
23 ~~acquisition of bonds issued by the local unit of government or~~
24 ~~the Authority to finance energy projects.~~

25 "Property" means any privately-owned commercial,
26 industrial, non-residential agricultural, or multi-family (of

1 5 or more units) real property or any real property owned by a
2 not-for-profit located within the governmental local unit of
3 government, but does not include any real property owned by a
4 governmental local unit ~~of government or a homeowner's or~~
5 ~~condominium association.~~

6 "Property assessed clean energy program" or "program"
7 means the program of a governmental unit to provide financing
8 or refinancing for energy projects within PACE areas it has
9 created under Section 10 and Section 15 ~~a program as described~~
10 ~~in Section 10.~~

11 "Record owner" means the titleholder or ~~person who is the~~
12 ~~titleholder or~~ owner of the beneficial interest in real
13 property.

14 "Renewable energy improvement" means any fixture, product,
15 system, equipment, device, material, or interacting group
16 thereof on the property of the record owner that uses one or
17 more renewable energy resources to generate electricity,
18 including any renewable energy project, as defined in Section
19 825-65 of the Illinois Finance Authority Act.

20 "Renewable energy resource" includes energy and its
21 associated renewable energy credit or renewable energy credits
22 from wind energy, solar thermal energy, geothermal energy,
23 photovoltaic cells and panels, biodiesel, anaerobic digestion,
24 and hydropower that does not involve new construction or
25 significant expansion of hydropower dams. For purposes of this
26 Act, landfill gas produced in the State is considered a

1 renewable energy resource. The term "renewable energy
2 resources" does not include the incineration or burning of any
3 solid material.

4 ~~"Renewable energy system" means a fixture, product,
5 device, or interacting group of fixtures, products, or devices
6 on the customer's side of the meter that use one or more
7 renewable energy resources to generate electricity, and
8 specifically includes any renewable energy project, as defined
9 in Section 825-65 of the Illinois Finance Authority Act.~~

10 "Resiliency improvement" means any fixture, product,
11 system, equipment, device, material, or interacting group
12 thereof intended to increase resilience or improve the
13 durability of infrastructure, including but not limited to,
14 seismic retrofits, flood mitigation, fire suppression, wind
15 resistance, energy storage, microgrids, and backup power
16 generation.

17 "Warehouse fund" means any fund or account established by a
18 governmental unit, the Authority, or a capital provider ~~local~~
19 ~~unit of government, body politic and corporate, or warehouse~~
20 ~~lender.~~

21 ~~"Warehouse lender" means any financial institution~~
22 ~~participating in a PACE area that finances an energy project~~
23 ~~from lawfully available funds in anticipation of issuing bonds~~
24 ~~as described in Section 35.~~

25 "Water use improvement" means any resiliency improvement,
26 fixture, product, system, equipment, device, material, or

1 interacting group thereof intended to conserve ~~for or serving~~
2 ~~any property that has the effect of conserving~~ water resources
3 or improve water quality on property, including, but not
4 limited to, all of the following: ~~through improved~~

5 (1) water management or efficiency systems;

6 (2) water recycling;

7 (3) capturing, reusing, managing, and treating
8 stormwater;

9 (4) bioretention, trees, green roofs, porous
10 pavements, or cisterns for maintaining or restoring
11 natural hydrology;

12 (5) replacing or otherwise abating or mitigating the
13 use of lead pipes in the supply of water; and

14 (6) any other resiliency improvement, fixture,
15 product, system, equipment, device, or material intended
16 as a utility or other cost-savings measure as approved by
17 the governmental unit.

18 (Source: P.A. 100-77, eff. 8-11-17; 100-980, eff. 1-1-19;
19 revised 9-28-18.)

20 (50 ILCS 50/10)

21 Sec. 10. Property assessed clean energy program; creation.

22 (a) Pursuant to the procedures provided in Section 15, a
23 governmental ~~a local~~ unit ~~of government~~ may establish a
24 property assessed clean energy program and, from time to time,
25 create a PACE area or PACE areas under the program.

1 (b) Under a program, the governmental local unit ~~of~~
2 ~~government~~ may enter into an assessment contract with the
3 record owner of property within a PACE area to finance or
4 refinance one or more energy projects on the property. The
5 assessment contract shall provide for the repayment of all or a
6 portion of the cost of an energy project through assessments
7 upon the property benefited. The amount of the financing or
8 refinancing may include any and all of the following: the cost
9 of materials and labor necessary for acquisition,
10 construction, installation, or modification of the energy
11 project, permit fees, inspection fees, application and
12 administrative fees, financing fees, reserves, capitalized
13 interest, costs of billing the assessment ~~bank fees,~~ and all
14 other fees, costs, and expenses that may be incurred by the
15 record owner pursuant to the acquisition, construction,
16 installation, or modification of the energy project, and the
17 costs of issuance of PACE bonds on a specific or pro rata
18 basis, as determined by the governmental local unit ~~of~~
19 ~~government~~ and may also include a prepayment premium.

20 (b-5) A governmental local unit ~~of government~~ may sell or
21 assign, for consideration, any and all assessment contracts;
22 the permitted assignee of the assessment contract shall have
23 and possess the delegable ~~same~~ powers and rights at law or in
24 equity as the applicable governmental local unit ~~of government~~
25 ~~and its tax collector~~ would have if the assessment contract had
26 not been assigned with regard to (i) the precedence and

1 priority of liens evidenced by the assessment contract, (ii)
2 the accrual of interest, and (iii) the fees and expenses of
3 collection. The permitted assignee shall have the right ~~same~~
4 ~~rights~~ to enforce such liens pursuant to subsection (a) of
5 Section 30 ~~as any private party holding a lien on real~~
6 ~~property, including, but not limited to, foreclosure.~~ Costs and
7 reasonable attorney's fees incurred by the permitted assignee
8 as a result of any foreclosure action or other legal proceeding
9 brought pursuant to this Act ~~Section~~ and directly related to
10 the proceeding shall be assessed in any such proceeding against
11 each record owner subject to the proceedings. A governmental
12 unit or the Authority may sell or assign assessment contracts
13 without competitive bidding or the solicitation of requests for
14 proposals or requests for qualifications ~~Such costs and fees~~
15 ~~may be collected by the assignee at any time after demand for~~
16 ~~payment has been made by the permitted assignee.~~

17 (c) A program shall ~~may~~ be administered by either one or
18 more than one program administrators or the governmental ~~local~~
19 unit, as determined by the governing body ~~of government.~~

20 (Source: P.A. 100-77, eff. 8-11-17; 100-980, eff. 1-1-19.)

21 (50 ILCS 50/15)

22 Sec. 15. Program established.

23 (a) To establish a property assessed clean energy program,
24 the governing body ~~of a local unit of government~~ shall adopt a
25 resolution or ordinance that includes all of the following:

1 (1) a finding that the financing or refinancing of
2 energy projects is a valid public purpose;

3 (2) a statement of intent to facilitate access to
4 capital (which may be from one or more program
5 administrators or as otherwise permitted by this Act) to
6 provide funds for energy projects, which will be repaid by
7 assessments on the property benefited with the agreement of
8 the record owners;

9 (3) a description of the proposed arrangements for
10 financing the program through the issuance of PACE bonds
11 under or in accordance with Section 35, which PACE bonds
12 may be purchased by one or more capital providers, ~~which~~
13 ~~may be through one or more program administrators;~~

14 (4) the types of energy projects that may be financed
15 or refinanced;

16 (5) a description of the territory within the PACE
17 area;

18 (6) a transcript of public comments if any
19 discretionary public hearing ~~reference to a report~~ on the
20 proposed program was previously held by the governmental
21 unit prior to the consideration of the resolution or
22 ordinance establishing the program; and ~~as described in~~
23 ~~Section 20;~~

24 (7) (blank); ~~the time and place for a public hearing to~~
25 ~~be held by the local unit of government if required for the~~
26 ~~adoption of the proposed program by resolution or~~

1 ~~ordinance;~~

2 (8) the report on the proposed program as described in
3 ~~matters required by~~ Section 20 ~~to be included in the~~
4 ~~report;~~ for this purpose, the resolution or ordinance may
5 incorporate the report or an amended version thereof by
6 reference, and shall be available for public inspection.

7 (9) (blank). ~~a description of which aspects of the~~
8 ~~program may be amended without a new public hearing and~~
9 ~~which aspects may be amended only after a new public~~
10 ~~hearing is held.~~

11 (b) A property assessed clean energy program may be amended
12 in accordance with ~~by resolution or ordinance of the governing~~
13 ~~body. Adoption of the resolution or ordinance~~ establishing the
14 program ~~shall be preceded by a public hearing if required.~~

15 (Source: P.A. 100-77, eff. 8-11-17; 100-863, eff. 8-14-18;
16 100-980, eff. 1-1-19.)

17 (50 ILCS 50/20)

18 Sec. 20. Program Report. The report on the proposed program
19 required under Section 15 shall include all of the following:

20 (1) a form of assessment contract between the
21 governmental local ~~unit of government~~ and record owner
22 governing the terms and conditions of financing and
23 assessment under the program;~~;~~

24 (2) identification of one or more officials ~~an official~~
25 authorized to enter into an assessment contract on behalf

1 of the governmental local unit ~~of government~~;

2 (3) (blank); ~~a maximum aggregate annual dollar amount~~
3 ~~for all financing to be provided by the applicable program~~
4 ~~administrator under the program;~~

5 (4) an application process and eligibility
6 requirements for financing or refinancing energy projects
7 under the program;

8 (5) a method for determining interest rates on amounts
9 financed or refinanced under assessment contracts
10 ~~installments~~, repayment periods, and the maximum amount of
11 an assessment, if any;

12 (6) an explanation of the process for billing and
13 collecting ~~how~~ assessments ~~will be made and collected~~;

14 (7) a plan to ~~raise capital to~~ finance ~~improvements~~
15 ~~under~~ the program pursuant to the issuance sale of PACE
16 bonds under or in accordance with Section 35; ~~subject to~~
17 ~~this Act or the Special Assessment Supplemental Bond and~~
18 ~~Procedures Act, or alternatively, through the sale of bonds~~
19 ~~by the Authority pursuant to subsection (d) of Section~~
20 ~~825-65 of the Illinois Finance Authority Act;~~

21 (8) information regarding all of the following, to the
22 extent known, or procedures to determine the following in
23 the future:

24 (A) any revenue source or reserve fund or funds to
25 be used as security for PACE bonds described in
26 paragraph (7); and

1 (B) any application, administration, or other
2 program fees to be charged to record owners
3 participating in the program that will be used to
4 finance and reimburse all or a portion of costs
5 incurred by the governmental ~~local~~ unit ~~of government~~
6 as a result of its ~~the~~ program;

7 (9) a requirement that the term of an assessment not
8 exceed the useful life of the energy project financed or
9 refinanced under an assessment contract; provided that an
10 assessment contract financing or refinancing multiple
11 energy projects with varying lengths of useful life may
12 have a term that is calculated in accordance with the
13 principles established by the program report ~~paid for by~~
14 ~~the assessment; provided that the local unit of government~~
15 ~~may allow projects that consist of multiple improvements~~
16 ~~with varying lengths of useful life to have a term that is~~
17 ~~no greater than the improvement with the longest useful~~
18 ~~life;~~

19 (10) a requirement for an appropriate ratio of the
20 amount of the assessment to the greater of any of the
21 following: ~~assessed value of the property or market value~~
22 ~~of the property as determined by a recent appraisal no~~
23 ~~older than 12 months;~~

24 (A) the value of the property as determined by the
25 office of the county assessor; or

26 (B) the value of the property as determined by an

1 appraisal conducted by a licensed appraiser;

2 (11) a requirement that the record owner of property
3 subject to a mortgage obtain written consent from the
4 mortgage holder before participating in the program;

5 (12) provisions for marketing and participant
6 education; and

7 (13) (blank); ~~provisions for an adequate debt service~~
8 ~~reserve fund, if any; and~~

9 (14) quality assurance and antifraud measures.

10 (Source: P.A. 100-77, eff. 8-11-17; 100-980, eff. 1-1-19.)

11 (50 ILCS 50/25)

12 Sec. 25. Assessment contracts ~~Contracts~~ with record owners
13 of property.

14 (a) ~~A After creation of a program and PACE area,~~ a record
15 owner of property within the PACE area may apply to ~~with~~ the
16 governmental local ~~unit of government~~ or its program
17 administrator or program administrators ~~for funding~~ to finance
18 or refinance an energy project under the governmental unit's
19 program.

20 (b) A governmental local ~~unit of government~~ may impose an
21 assessment under a property assessed clean energy program only
22 pursuant to the terms of a recorded assessment contract with
23 the record owner of the property to be assessed.

24 (c) Before entering into an assessment contract with a
25 record owner under a program, the governmental unit or its

1 program administrator or program administrators ~~local unit of~~
2 ~~government~~ shall verify that the applicable property is
3 entirely within the PACE area and receive evidence of all of
4 the following:

5 (1) (blank); ~~that the property is within the PACE area;~~

6 (2) that there are no delinquent taxes, special
7 assessments, or water or sewer charges on the property;

8 (3) that there are no delinquent assessments on the
9 property under a property assessed clean energy program;

10 (4) whether there are any ~~no~~ involuntary liens on the
11 property, including, but not limited to, construction or
12 mechanics liens, lis pendens or judgments against the
13 record owner, environmental proceedings, or eminent domain
14 proceedings;

15 (5) that no notices of default or other evidence of
16 property-based debt delinquency have been recorded and not
17 cured;

18 (6) that the record owner is current on all mortgage
19 debt on the property, the record owner has not filed for
20 bankruptcy in the last 2 years, and the property is not an
21 asset in ~~to~~ a current bankruptcy proceeding; ~~-~~

22 (7) that all work requiring a license under any
23 applicable law to acquire, construct, install, or modify an
24 energy project ~~make a qualifying improvement~~ shall be
25 performed by a licensed ~~registered~~ contractor that has
26 agreed to adhere to a set of terms and conditions through a

1 process established by the governmental local unit or its
2 program administrator or program administrators; ~~of~~
3 ~~government.~~

4 (8) that the contractor or contractors to be used have
5 signed a written acknowledgement that the governmental
6 unit or its program administrator or program
7 administrators local unit of government will not authorize
8 final payment to the contractor or contractors until the
9 governmental local unit of government has received written
10 confirmation from the record owner that the energy project
11 improvement was properly acquired, constructed, installed,
12 or modified and is operating as intended; provided,
13 however, that the contractor or contractors retain ~~retains~~
14 all legal rights and remedies in the event there is a
15 disagreement with the record owner;

16 (9) that the aggregate amount financed or refinanced
17 under one or more amount of the assessment contracts does
18 not exceed 25% in relation to the greater of any of the
19 following:

20 (A) the value of the property as determined by the
21 office of the county assessor; or

22 (B) the value of the property as determined by an
23 appraisal conducted by a licensed appraiser ~~the~~
24 ~~assessed value of the property or the appraised value~~
25 ~~of the property, as determined by a licensed appraiser,~~
26 ~~does not exceed 25%; and~~

1 (10) ~~a requirement~~ that an evaluation assessment of the
2 existing water or energy use and a modeling of expected
3 monetary savings have been conducted for any proposed
4 energy efficiency improvement, renewable energy
5 improvement, or water use improvement, unless the water use
6 improvement is undertaken to improve water quality
7 project.

8 (d) ~~Before At least 30 days before~~ entering into an
9 assessment contract with the governmental local unit ~~of~~
10 ~~government,~~ the record owner shall provide to the mortgage
11 holders of ~~or loan servicers of~~ any existing mortgages
12 encumbering or otherwise secured by the property a notice of
13 the record owner's intent to enter into an assessment contract
14 with the governmental local unit ~~of government,~~ together with
15 the maximum principal amount to be financed or refinanced and
16 the maximum annual assessment necessary to repay that amount,
17 along with an additional ~~a~~ request that the mortgage holders of
18 ~~or loan servicers~~ of any existing mortgages consent to the
19 record owner subjecting the property to the program. The
20 governmental unit shall be provided with a ~~A verified~~ copy or
21 other proof of those notices and the written consent of the
22 ~~existing~~ mortgage holder for the record owner to enter into the
23 assessment contract which acknowledges ~~and acknowledging~~ that
24 (i) the existing mortgage or mortgages for which the consent
25 was received will be subordinate to the ~~financing and~~
26 assessment contract and the lien created thereby and (ii) the

1 ~~governmental agreement and that the local unit of government~~ or
2 its permitted assignee can foreclose the property if the
3 ~~assessments are assessment is not paid shall be provided to the~~
4 ~~local unit of government.~~

5 (e) (Blank). ~~A provision in any agreement between a local~~
6 ~~unit of government and a public or private power or energy~~
7 ~~provider or other utility provider is not enforceable to limit~~
8 ~~or prohibit any local unit of government from exercising its~~
9 ~~authority under this Section.~~

10 (f) If the ~~The~~ record owner has signed a certification that
11 the governmental ~~local unit of government~~ has complied with the
12 provisions of this Section, then this ~~which~~ shall be conclusive
13 evidence as to compliance with these provisions, but shall not
14 relieve any contractor, or the governmental ~~local unit of~~
15 ~~government,~~ from any potential liability.

16 (g) (Blank). ~~This Section is additional and supplemental to~~
17 ~~county and municipal home rule authority and not in derogation~~
18 ~~of such authority or limitation upon such authority.~~

19 (h) The imposition of any assessment pursuant to this Act
20 shall be exempt from any other statutory procedures or
21 requirements that condition the imposition of special
22 assessments or ~~other~~ taxes against a property, except as
23 specifically set forth in this Act.

24 (Source: P.A. 100-77, eff. 8-11-17; 100-980, eff. 1-1-19.)

1 Sec. 30. Assessments constitute a lien; billing and
2 collecting.

3 (a) An assessment contract shall be recorded with the
4 county in which the PACE area is located. An assessment imposed
5 under a property assessed clean energy program pursuant to an
6 assessment contract, including any interest on the assessment
7 and any penalty, shall, upon recording of the assessment
8 contract in the county in which the PACE area is located,
9 constitute a lien against the property on which the assessment
10 is imposed until the assessment, including any interest or
11 penalty, is paid in full. The lien of the assessment contract
12 shall run with the property until the assessment is paid in
13 full and a satisfaction or release for the same has been
14 recorded by the governmental unit or its program administrator
15 or program administrators ~~with the local unit of government~~ and
16 shall have the same lien priority and status as other property
17 tax and special assessment liens as provided in the Property
18 Tax Code. The governmental ~~local~~ unit ~~of government~~ (or any
19 permitted assignee) shall have all rights and remedies in the
20 case of default or delinquency in the payment of an assessment
21 as it does with respect to delinquent property taxes and other
22 delinquent special assessments as set forth in Article 9 of the
23 Illinois Municipal Code, including the lien, sale, and
24 foreclosure remedies described in that Article. When the
25 assessment, including any interest and penalty, is paid in
26 full, the lien shall be removed and released from the property.

1 (a-5) The assessment shall be imposed by the governmental
2 ~~local unit of government~~ against each lot, block, tract, ~~track~~
3 and parcel of land set forth in ~~within~~ the assessment contract
4 ~~PACE area to be assessed in accordance with an assessment roll~~
5 ~~setting forth: (i) a description of the method of spreading the~~
6 ~~assessment; (ii) a list of lots, blocks, tracts and parcels of~~
7 ~~land in the PACE area; and (iii) the amount assessed on each~~
8 ~~parcel. The assessment roll shall be filed with the county~~
9 ~~clerk of the county in which the PACE area is located for use~~
10 ~~in establishing the lien and collecting the assessment.~~

11 (b) (Blank). ~~Installments of assessments due under a~~
12 ~~program may be included in each tax bill issued under the~~
13 ~~Property Tax Code and may be collected at the same time and in~~
14 ~~the same manner as taxes collected under the Property Tax Code.~~
15 ~~Alternatively, installments may be billed and collected as~~
16 ~~provided in a special assessment ordinance of general~~
17 ~~applicability adopted by the local unit of government pursuant~~
18 ~~to State law or local charter. In no event will partial payment~~
19 ~~of an assessment be allowed.~~

20 (b-5) Assessments created under this Act may be billed and
21 collected as follows:

22 (1) A county which has established a program may
23 include assessments in the regular property tax bills of
24 the county. The county collector of the county in which a
25 PACE area is located may bill and collect assessments with
26 the regular property tax bills of the county if requested

1 by a municipality within its jurisdiction; no municipality
2 is required to make such a request of its county collector.
3 If the county collector agrees to bill and collect
4 assessments with the regular property tax bills of the
5 county, then the applicable assessment contract shall be
6 filed with the county collector and the annual amount due
7 as set forth in an assessment contract shall become due in
8 installments at the times property taxes shall become due
9 in accordance with each regular property tax bill payable
10 during the year in which such assessment comes due;

11 (2) If the county collector does not agree to bill and
12 collect assessments with the regular property tax bills of
13 the county or the governmental unit in which the PACE area
14 is located declines to request the county collector to do
15 so, then the governmental unit shall bill and collect the
16 assessments, either directly or as permitted in paragraph
17 (3) of this subsection, and the annual amount due as set
18 forth in an assessment contract shall become due in
19 installments on or about the times property taxes would
20 otherwise become due in accordance with each regular
21 property tax bill payable during the year in which such
22 assessment comes due; or

23 (3) If a governmental unit is billing and collecting
24 assessments pursuant to paragraph (2) of this subsection,
25 assessment installments may be billed and collected by the
26 governmental unit's program administrator or program

1 administrators or another third party.

2 The assessment installments for assessments billed as
3 provided for under any paragraph of this subsection shall be
4 payable at the times and in the manner as set forth in the
5 applicable bill.

6 (c) If a governmental unit, a program administrator, or
7 another third party is billing and collecting assessments
8 pursuant to subsection (b-5), and the applicable assessment
9 becomes delinquent during any year, the applicable collector
10 shall, on or before the date in such year required by the
11 county in which the PACE area is located, make a report in
12 writing to the general office of the county in which the
13 applicable property subject to the assessment is situated and
14 authorized by the general revenue laws of this State to apply
15 for judgment and sell lands for taxes due the county and the
16 State, of the assessments or installments thereof the
17 applicable collector has billed for and not received as
18 required under the applicable bill, including any interest or
19 penalties that may be due as set forth in the applicable
20 assessment contract. This report shall be certified by the
21 applicable collector and shall include statements that (i) the
22 report contains true and correct list of delinquent assessments
23 that the collector has not received as required by the
24 applicable bill and (ii) an itemization of the amount of the
25 delinquent assessment, including interest and penalties, if
26 applicable. The report of the applicable collector, when so

1 made, shall be prima facie evidence that all requirements of
2 the law in relation to making the report have been complied
3 with and that the assessments or the matured installments
4 thereof, and the interest thereon, and the interest accrued on
5 installments not yet matured, mentioned in the report, are due
6 and unpaid. Upon proper filing of such report, at the direction
7 of the governmental unit or its permitted assignee, the county
8 collector shall enforce the collection of the assessments in
9 the manner provided by law.

10 (d) Payment received by mail and postmarked on or before
11 the required due date is not delinquent. From and after the due
12 date of any installment of an assessment, an additional rate of
13 interest of 1 1/2% per month may be imposed with respect to the
14 delinquent amount of such installment, which shall be payable
15 to the applicable governmental unit or other permitted assignee
16 as set forth in the applicable bill.

17 (Source: P.A. 100-77, eff. 8-11-17; 100-980, eff. 1-1-19;
18 revised 9-28-18.)

19 (50 ILCS 50/35)

20 Sec. 35. Issuance of PACE bonds ~~Bonds~~.

21 (a) Except as provided for in subsection (k), a
22 governmental unit shall ~~A local unit of government may~~ issue
23 PACE bonds under this Act ~~or the Special Assessment~~
24 ~~Supplemental Bond and Procedures Act,~~ or the Authority shall
25 ~~may~~ issue PACE bonds in accordance with this Act and pursuant

1 ~~to under~~ subsection (d) of Section 825-65 of the Illinois
2 Finance Authority Act ~~upon assignment of the assessment~~
3 ~~contracts securing such bonds by the local unit of government~~
4 ~~to the Authority,~~ in either case to finance or refinance energy
5 projects under a property assessed clean energy program.
6 ~~Interim financing prior to the issuance of bonds authorized by~~
7 ~~this Section may be provided only by a warehouse fund, except~~
8 ~~that warehouse funds established by a warehouse lender may only~~
9 ~~hold assessment contracts for 36 months or less.~~

10 (b) PACE bonds issued under this Act or in accordance with
11 this Act and pursuant to subsection (d) of Section 825-65 of
12 the Illinois Finance Authority Act: Bonds issued under
13 subsection (a) shall

14 (1) shall not be general obligations of the
15 governmental local unit of government or the Authority, as
16 applicable, but shall be secured by the following ~~as~~
17 ~~provided by the governing body in the resolution or~~
18 ~~ordinance approving the bonds:~~

19 (A) ~~(1)~~ payments under one or more assessment
20 contracts of assessments on benefited property or
21 properties within the PACE area or PACE areas
22 specified; and

23 (B) if applicable, municipal bond insurance,
24 letters of credit, or public or private guarantees or
25 sureties; and

26 (C) ~~(2)~~ if applicable, revenue sources or reserves

1 established by the governmental ~~local~~ unit ~~of~~
2 ~~government~~ or the Authority from bond proceeds or other
3 lawfully available funds;~~;~~

4 (2) may be secured on a parity basis with PACE bonds of
5 another series or subseries issued by the governmental unit
6 or the Authority pursuant to the terms of a master
7 indenture entered into as authorized by an ordinance or
8 resolution adopted by the governing body or the Authority,
9 as applicable;

10 (3) may bear interest at any rate or rates not to
11 exceed such rate or rates as the governing body or the
12 Authority shall determine by ordinance or resolution;

13 (4) may pay interest upon the date or dates described
14 in such PACE bonds;

15 (5) shall have a maturity no more than 40 years from
16 the date of issuance;

17 (6) may be subject to redemption with or without
18 premium upon such terms and provisions as may be provided
19 under the terms of a master indenture entered into as
20 authorized by an ordinance or resolution adopted by the
21 governing body or the Authority, as applicable, including,
22 without limitation, terms as to the order of redemption
23 (numerical, pro rata, by series, subseries, or otherwise)
24 and as to the timing thereof;

25 (7) shall be negotiable instruments under Illinois law
26 and be subject to the Registered Bond Act; and

1 (8) may be payable either serially or at term, or any
2 combination thereof, in such order of preference,
3 priority, lien position, or rank (including, without
4 limitation, numerical, pro rata, by series, subseries, or
5 otherwise) as the governing body or Authority may provide.

6 (c) A pledge of assessments, funds, or contractual rights
7 made by a governmental unit or the Authority ~~governing body~~ in
8 connection with the issuance of PACE bonds ~~by a local unit of~~
9 ~~government~~ under this Act or in accordance with this Act and
10 pursuant to Section 825-65 of the Illinois Finance Authority
11 Act constitutes a statutory lien on the assessments, funds, or
12 contractual rights so pledged in favor of the person or persons
13 to whom the pledge is given, without further action taken by a
14 governmental unit or the Authority, as applicable ~~by the~~
15 ~~governing body~~. The statutory lien is valid and binding against
16 all other persons, with or without notice.

17 (d) (Blank). ~~Bonds of one series issued under this Act may~~
18 ~~be secured on a parity with bonds of another series issued by~~
19 ~~the local unit of government or the Authority pursuant to the~~
20 ~~terms of a master indenture or master resolution entered into~~
21 ~~or adopted by the governing body of the local unit of~~
22 ~~government or the Authority.~~

23 (d-5) The State pledges to and agrees with the holders of
24 any PACE bonds issued under this Act or in accordance with the
25 Act and pursuant to Section 825-65 of the Illinois Finance
26 Authority Act that the State will not limit or alter the rights

1 and powers vested in governmental units by this Act or in the
2 Authority in accordance with this Act and pursuant to Section
3 825-65 of the Illinois Finance Authority Act so as to impair
4 the terms of any contract made by a governmental unit or by the
5 Authority with those bondholders or in any way to impair the
6 rights or remedies of those bondholders until the PACE bonds,
7 together with the interest thereon, and all costs and expenses
8 in connection with any actions or proceedings by or on behalf
9 of those bondholders are fully met and discharged.

10 (e) (Blank). ~~Bonds issued under this Act are subject to the~~
11 ~~Bond Authorization Act and the Registered Bond Act.~~

12 (f) PACE bonds ~~Bonds~~ issued under this Act or in accordance
13 with this Act and pursuant to Section 825-65 of the Illinois
14 Finance Authority Act further essential public and
15 governmental purposes, including, but not limited to, reduced
16 energy costs and, ~~reduced~~ greenhouse gas emissions, enhanced
17 water quality and conservation, economic stimulation and
18 development, improved property resiliency and valuation, and
19 increased employment.

20 (g) A capital provider ~~program administrator~~ can assign its
21 rights to purchase PACE ~~the~~ bonds issued by the governmental
22 unit or the Authority to a designated transferee ~~to a third~~
23 ~~party.~~

24 (h) A law firm shall be retained to give a written bond
25 opinion in connection with any PACE bond issued under this Act
26 or in accordance with this Act and pursuant to Section 825-65

1 of the Illinois Finance Authority Act in form and substance as
2 requested by the issuer of the PACE bonds or the capital
3 provider.

4 (i) PACE bonds ~~Bonds~~ issued by the Authority in accordance
5 with ~~under~~ this Act and pursuant to subsection (d) of Section
6 825-65 of the Illinois Finance Authority Act shall not be
7 entitled to the benefits of Section 825-75 of the Illinois
8 Finance Authority Act.

9 (j) PACE bonds issued by a governmental unit may otherwise
10 have any attributes permitted to bonds under the Local
11 Government Debt Reform Act, as the governing body may provide.

12 (k) Interim financing prior to the issuance of PACE bonds
13 authorized by this Section may be provided only by a warehouse
14 fund, except that warehouse funds established by capital
15 providers shall only interim finance energy projects secured by
16 one or more assessment contracts for 36 months or less from the
17 date of recording of the applicable assessment contract.

18 (Source: P.A. 100-77, eff. 8-11-17; 100-980, eff. 1-1-19.)

19 (50 ILCS 50/42 new)

20 Sec. 42. Supplemental powers.

21 (a) The provisions of this Act are intended to be
22 supplemental and in addition to all other powers or authorities
23 granted to any governmental unit, shall be construed liberally,
24 and shall not be construed as a limitation of any power or
25 authority otherwise granted.

1 (b) A governmental unit may use the provisions of this Act
2 by referencing this Act in the resolution or ordinance
3 described in Section 15.

4 (50 ILCS 50/45 new)

5 Sec. 45. Recital. PACE bonds that are issued under this Act
6 or in accordance with this Act and pursuant to Section 825-65
7 of the Illinois Finance Authority Act may contain a recital to
8 that effect and any such recital shall be conclusive as against
9 the issuer thereof and any other person as to the validity of
10 the PACE bonds and as to their compliance with the provisions
11 of this Act and, as applicable, the provisions of Section
12 825-65 of the Illinois Finance Authority Act.

13 (50 ILCS 50/50 new)

14 Sec. 50. Validation. All actions taken by the Authority or
15 any governmental unit under this Act prior to the effective
16 date of this amendatory Act of the 101st General Assembly,
17 including, without limitation, creation of a property assessed
18 clean energy program under Section 10 and Section 15,
19 preparation and approval of a report on the proposed program
20 under Section 20, entering into assessment contracts under
21 Section 25, and issuance of bonds, notes, and other evidences
22 of indebtedness under Section 35 shall be unaffected by the
23 enactment of this amendatory Act of the 101st General Assembly
24 and shall continue to be legal, valid, and in full force and

1 effect, notwithstanding any lack of compliance with the
2 requirements of this amendatory Act of the 101st General
3 Assembly.

4 (50 ILCS 50/40 rep.)

5 Section 10. The Property Assessed Clean Energy Act is
6 amended by repealing Section 40.

7 Section 99. Effective date. This Act takes effect upon
8 becoming law."