

First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 13-0308.01 Thomas Morris x4218

SENATE BILL 13-212

SENATE SPONSORSHIP

Jones and Schwartz, Johnston

HOUSE SPONSORSHIP

Tyler,

Senate Committees

Agriculture, Natural Resources, & Energy

House Committees

A BILL FOR AN ACT

101 CONCERNING INCREASED OPTIONS FOR FINANCING AVAILABLE
102 THROUGH THE COLORADO NEW ENERGY IMPROVEMENT
103 DISTRICT FOR THE COMPLETION OF NEW ENERGY
104 IMPROVEMENTS, AND, IN CONNECTION THEREWITH, ALLOWING
105 COMMERCIAL BUILDINGS TO ACCESS DISTRICT FINANCING,
106 REQUIRING CONSENT FOR SUBORDINATION OF MORTGAGE LIENS,
107 AND FACILITATING PRIVATE THIRD-PARTY FINANCING.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

[http://www.leg.state.co.us/bills/summaries.](http://www.leg.state.co.us/bills/summaries/))

The Colorado new energy improvement district (district) currently allows for financing of the completion of new energy improvements only for residential real estate. **Section 2** of the bill allows owners of commercial property to utilize such financing, repeals the maximum 95% loan-to-value requirement for qualified applicants, and repeals the percentage-of-value and dollar caps on allowable new energy improvements. Section 2 also includes fuel cells within the definition of "renewable energy improvement" and includes improvements that increase the overall illumination of a property or bring the property up to building code within the definition of "energy efficiency improvement". **Section 3** directs the governor to appoint 5 members to the district board by September 1, 2013, modifies their qualifications, removes the legislative appointees from the board, and reduces the quorum from 6 to 4 members.

Section 4 directs the district to develop:

- ! A program for the financing of new energy improvements by private third-party financing in addition to by district bonds; and
- ! The parameters for requiring consent in all cases by existing mortgage holders to subordinate the priority of their mortgages to the priority of the district's lien.

Current law includes increased market value and decreased energy bills attributable to a new energy improvement in the calculation of the amount of the special assessment; **section 5** repeals these factors from that calculation and also repeals language that allows special assessments to be prepaid.

If district special assessments are attributable to new energy improvements that were financed by a private third party:

- ! **Section 6** directs the board to credit the proceeds of the special assessments to the private third party; and
- ! **Section 7** specifies that district bonds are not payable from the special assessments.

Section 6 also prohibits county assessors from taking into account any increase in the market value of the eligible real property resulting from the completion of a new energy improvement when assessing the value of the property. Section 7 also affirms that the state will not impair the rights or remedies of private third parties that have financed new energy improvements.

Current law conditionally repeals the district on January 1, 2016. **Section 8** repeals the repeal date.

1 **SECTION 1. Short title.** This act shall be known and may be
2 cited as the "New Energy Jobs Act of 2013".

3 **SECTION 2.** In Colorado Revised Statutes, 32-20-103, **amend**
4 (4), (5) introductory portion, (5) (f), (7), (11), (12) introductory portion,
5 and (14); **repeal** (10) (a); and **add** (1.5) as follows:

6 **32-20-103. Definitions.** As used in this article, unless the context
7 otherwise requires:

8 (1.5) "COMMERCIAL BUILDING" MEANS ANY REAL PROPERTY
9 OTHER THAN A RESIDENTIAL BUILDING CONTAINING FEWER THAN FIVE
10 DWELLING UNITS AND INCLUDES ANY OTHER IMPROVEMENT OR
11 CONNECTED LAND THAT IS BILLED WITH THE IMPROVEMENT FOR PURPOSES
12 OF AD VALOREM PROPERTY TAXATION.

13 (4) "Eligible real property" means a residential OR COMMERCIAL
14 building, located within a county in which the district has been authorized
15 to conduct the program as required by section 32-20-105 (3), on which or
16 in which a new energy improvement to be financed by the district has
17 been or will be completed.

18 (5) "Energy efficiency improvement" means one or more
19 installations or modifications to eligible real property that are designed to
20 reduce the energy consumption of the property ~~and that are not required~~
21 ~~by a building code as part of new construction or a major renovation~~ and
22 includes, but is not limited to, the following:

23 (f) Replacement or modification of lighting fixtures to increase
24 the energy efficiency of the system; ~~without increasing the overall~~
25 ~~illumination of eligible real property unless the increase in illumination~~
26 ~~is necessary to conform to the applicable building code for the proposed~~
27 ~~lighting system;~~

1 (7) "New energy improvement" means one or more on-site energy
2 efficiency improvements or renewable energy improvements, or both,
3 made to eligible real property that will reduce the energy consumption of
4 or add energy produced from renewable energy sources ~~only~~ WITH
5 REGARD to any portion of the eligible real property. ~~that is used~~
6 ~~predominantly as a place of residency.~~

7 (10) "Qualified applicant" means a person who:

8 (a) ~~Owns eligible real property that has a ratio of loan balance to~~
9 ~~its actual value of ninety-five percent or less at the time the person's~~
10 ~~program application is approved, as shown in the records of the county~~
11 ~~assessor, unless the holder of the deed of trust or mortgage recorded~~
12 ~~against the eligible real property that has priority over all other deeds of~~
13 ~~trust or mortgages recorded against the eligible real property has~~
14 ~~consented in writing to the levying of a special assessment against the~~
15 ~~eligible real property.~~

16 (11) "Reimbursement or a direct payment" means the payment by
17 the district to a district member, or on behalf of ~~such~~ a district member to
18 a contractor that has completed a new energy improvement to the district
19 member's eligible real property, of all or a portion of the cost of
20 completing a new energy improvement. Utility rebates offered to program
21 participants by a qualifying retail utility for the purpose of compliance
22 with renewable energy targets established in section 40-2-124, C.R.S.,
23 ~~shall be~~ ARE subject to the retail rate impact cap established pursuant to
24 section 40-2-124 (1) (g) (I), C.R.S. ~~The maximum amount of~~
25 ~~reimbursement or a direct payment that may be made shall be the lowest~~
26 ~~of the full cost of completing a new energy improvement, twenty percent~~
27 ~~of the actual value, as specified in the records of the county assessor, of~~

1 ~~the eligible real property to which the new energy improvement is made,~~
2 ~~or twenty-five thousand dollars; except that the twenty-five thousand~~
3 ~~dollar limit shall be adjusted by the district for each calendar year~~
4 ~~commencing on or after January 1, 2012, based on the consumer price~~
5 ~~index for the Denver-Boulder-Greeley metropolitan statistical area for the~~
6 ~~state fiscal year that ends in the preceding calendar year.~~

7 (12) "Renewable energy improvement" means one or more
8 fixtures, products, systems, or devices, or an interacting group of fixtures,
9 products, systems, or devices, that directly benefit eligible real property
10 through a qualified community location, as defined in section 30-20-602
11 (4.3), C.R.S., enacted by Senate Bill 10-100, enacted in 2010, or that are
12 installed behind the meter of any eligible real property and that produce
13 energy from renewable resources, including but not limited to,
14 photovoltaic, solar thermal, small wind, low-impact hydroelectric,
15 biomass, FUEL CELL, or geothermal systems such as ground source heat
16 pumps, as may be approved by the district; except that no renewable
17 energy improvement shall be authorized that interferes with a right held
18 by a public utility under a certificate issued by the public utilities
19 commission under article 5 of title 40, C.R.S. Nothing in this article shall
20 limit the right of a public utility, subject to article 3 or 3.5 of title 40,
21 C.R.S., or section 40-9.5-106, C.R.S., to assess fees for the use of its
22 facilities or modify or expand the net metering limitations established in
23 sections 40-9.5-118 and 40-2-124 (7), C.R.S. Primary jurisdiction to hear
24 any disputes as to whether a renewable energy improvement interferes
25 with such a right shall lie:

26 (14) "Special assessment" or "assessment" means a charge levied
27 by the district against eligible real property specially benefited by a new

1 energy improvement for which the district has made or will make
2 reimbursement or a direct payment that is proportional to the benefit
3 received from the new energy improvement and does not exceed the
4 estimated amount of special benefits received OR THE FULL COST OF
5 COMPLETING THE NEW ENERGY IMPROVEMENT.

6 **SECTION 3.** In Colorado Revised Statutes, 32-20-104, **amend**
7 (2) (a) introductory portion, (2) (a) (II), and (3); and **repeal** (2) (a) (III),
8 (2) (a) (IV), (2) (a) (V), and (2) (a) (VI), as follows:

9 **32-20-104. Colorado new energy improvement district -**
10 **creation - board - meetings - quorum - expenses - records.** (2) (a) The
11 district ~~shall be~~ IS governed by a board of directors, which shall exercise
12 the powers of the district, shall, by a majority vote of a quorum of its
13 members, select from its membership a chair, ~~and a vice-chair,~~ AND
14 SECRETARY, and ~~shall be~~ IS composed of ~~nine~~ SEVEN members, including:

15 (II) The following five members appointed by the governor BY
16 SEPTEMBER 1, 2013:

17 (A) One member who has executive-level experience in ~~the~~
18 ~~affordable housing industry~~ COMMERCIAL OR RESIDENTIAL REAL ESTATE
19 DEVELOPMENT;

20 (B) One member who has executive-level experience in the
21 FINANCIAL OR lending industry;

22 (C) One member who ~~is an attorney licensed to practice law in~~
23 ~~Colorado and who shall serve as the secretary of the board~~ HAS
24 EXECUTIVE-LEVEL EXPERIENCE IN THE UTILITY INDUSTRY;

25 (D) One member who represents the energy efficiency industry;
26 and

27 (E) One member who represents ~~local governments~~ THE

1 RENEWABLE ENERGY INDUSTRY.

2 (III) ~~One member appointed by the president of the senate who~~
3 ~~has executive-level experience in the renewable energy industry;~~

4 (IV) ~~One member appointed by the speaker of the house of~~
5 ~~representatives who has executive-level experience in the financial~~
6 ~~industry;~~

7 (V) ~~One member appointed by the minority leader of the senate~~
8 ~~who has executive-level experience in the utility industry; and~~

9 (VI) ~~One member appointed by the minority leader of the house~~
10 ~~of representatives who has executive-level experience in the housing~~
11 ~~industry.~~

12 (3) ~~Six~~ FOUR members of the board shall constitute a quorum for
13 the purpose of conducting business and exercising the powers of the
14 board. Action may be taken by the board upon the affirmative vote of at
15 least ~~six~~ FOUR of its members. No vacancy in the membership of the
16 board shall impair the right of a quorum to exercise all the rights and
17 perform all the duties of the board.

18 **SECTION 4.** In Colorado Revised Statutes, 32-20-105, **amend**
19 (3) introductory portion, (3) (d), (3) (e), (3) (g), and (4); and **add** (3) (h)
20 and (3) (i) as follows:

21 **32-20-105. District - purpose - general powers and duties -**
22 **new energy improvement program.** (3) The district shall establish,
23 develop, finance, and administer a new energy improvement program.
24 However, the district may conduct the program within any given county
25 only if the board of county commissioners of the county has adopted a
26 resolution authorizing the district to conduct the program within the
27 county. The DISTRICT SHALL DESIGN THE program ~~shall be designed~~ to

1 allow an owner of eligible real property to apply to join the district,
2 receive reimbursement or a direct payment from the district, and consent
3 to the levying of a special assessment on the eligible real property
4 specially benefited by a new energy improvement for which the district
5 makes reimbursement or a direct payment. The district shall establish an
6 application process for the program ~~which may allow~~ THAT ALLOWS an
7 owner of eligible real property to become a qualified applicant by
8 submitting an application to the district and ~~which~~ THAT may include one
9 or more deadlines for the filing of an application. The district may charge
10 program application fees. In order to administer the program, the district,
11 acting directly or through a program administrator or ~~such~~ other agents,
12 employees, or professionals as the district may appoint, hire, retain, or
13 contract with, MAY AGGREGATE QUALIFIED APPLICANTS INTO ONE OR
14 MORE BOND ISSUES AND shall:

15 (d) Encourage OR REQUIRE, AS DETERMINED BY THE DISTRICT, any
16 qualified applicant to obtain an ~~online or on-site home~~ energy audit in
17 order to ensure the efficient use of new energy improvement funding
18 pursuant to this article;

19 (e) Inform prospective program applicants and qualified
20 applicants of private financing options not provided by the district,
21 including, ~~but not limited to~~ AS APPROPRIATE, home equity loans, ~~and~~
22 home equity lines of credit, COMMERCIAL LOANS, AND COMMERCIAL
23 LINES OF CREDIT that may, with respect to a particular applicant, represent
24 viable alternatives for financing new energy improvements;

25 (g) Take appropriate steps to monitor the quality of new energy
26 improvements for which the district has made reimbursement or a direct
27 payment if deemed necessary by the board, measure the total energy

1 savings achieved by the program, monitor the total number of program
2 participants, the total amount paid to contractors, the number of jobs
3 created by the program, the number of defaults by program participants,
4 and the total losses from the defaults, and calculate the total amount of
5 bonds issued by the district. On or before March 1, ~~2011~~ 2014, and on or
6 before each subsequent March 1, the district shall report to the state,
7 veterans, and military affairs committees of the general assembly, or any
8 successor committees, regarding the information obtained as required by
9 this paragraph (g);

10 (h) DEVELOP PROGRAM GUIDELINES GOVERNING THE TERMS AND
11 CONDITIONS UNDER WHICH PRIVATE THIRD-PARTY FINANCING, OTHER
12 THAN THAT OBTAINED THROUGH ISSUANCE OF A DISTRICT BOND, IS
13 AVAILABLE TO QUALIFIED APPLICANTS THROUGH THE PROGRAM AND, IN
14 CONNECTION THEREWITH, MAY SERVE AS AN AGGREGATING ENTITY FOR
15 THE PURPOSE OF SECURING PRIVATE THIRD-PARTY FINANCING FOR NEW
16 ENERGY IMPROVEMENTS PURSUANT TO THIS ARTICLE; AND

17 (i) IN CONNECTION WITH THE FINANCING OF NEW ENERGY
18 IMPROVEMENTS EITHER BY THIRD PARTIES PURSUANT TO PARAGRAPH (h)
19 OF THIS SUBSECTION (3) OR DISTRICT BONDS AND IN CONSULTATION WITH
20 REPRESENTATIVES FROM THE BANKING INDUSTRY, COUNTIES,
21 MUNICIPALITIES, AND PROPERTY OWNERS, DEVELOP THE PROCESSES TO
22 ENSURE THAT MORTGAGE HOLDER CONSENT IS OBTAINED IN ALL CASES
23 FOR ALL ELIGIBLE REAL PROPERTY PARTICIPATING IN THE PROGRAM TO
24 SUBORDINATE THE PRIORITY OF SUCH MORTGAGES TO THE PRIORITY OF
25 THE LIEN ESTABLISHED IN SECTION 32-20-107.

26 (4) The district shall establish underwriting guidelines that
27 consider program applicants' qualifications, credit-worthiness, home OR

1 COMMERCIAL BUILDING equity, and other appropriate factors, including
2 ~~but not limited to~~ credit reports, credit scores, and loan-to-value ratios,
3 consistent with good and customary lending practices, and as required in
4 order for the district OR THIRD PARTIES to obtain a bond rating necessary
5 for a successful bond sale. The district shall also arrange for an
6 appropriate loss reserve in order to obtain the necessary bond rating.

7 **SECTION 5.** In Colorado Revised Statutes, 32-20-106, **amend**
8 (2) (b) and (7); and **repeal** (2) (a) and (2) (c) as follows:

9 **32-20-106. Special assessments - determination of special**
10 **benefits - notice and hearing requirements - certification of**
11 **assessment roll - manner of collection.** (2) For the purpose of
12 determining the amount of the special assessment to be levied on a
13 particular unit of eligible real property within the district, "special
14 benefit" includes, but is not limited to:

15 (a) ~~Any increase in the market value of the eligible real property~~
16 ~~resulting from the completion of a new energy improvement;~~

17 (b) Any cost of completing a new energy improvement that is
18 defrayed by reimbursement or a direct payment; AND

19 (c) ~~Any reduction in energy-related utility bills for the eligible real~~
20 ~~property caused by a quantifiable reduction in the energy consumption of~~
21 ~~the eligible real property resulting from the completion of a new energy~~
22 ~~improvement; and~~

23 (7) Failure to pay any installment on special assessments, whether
24 of principal or interest, when due shall give the district the right to declare
25 the delinquent installments due and collectible immediately, and upon
26 such a declaration the whole amount of the unpaid principal and accrued
27 interest shall thereafter draw interest at the rate established pursuant to

1 section 5-12-106 (2) and (3), C.R.S., until the day of sale. At any time
2 prior to the day of sale, the district member may pay the amount of all
3 unpaid installments, with interest at the penalty rate set by the assessing
4 resolution, and all costs of collection accrued and shall thereupon be
5 restored to the right thereafter to pay in installments in the same manner
6 as if default had not been suffered. ~~A district member not in default as to~~
7 ~~any installment or payment may, at any time, pay the whole of the unpaid~~
8 ~~principal with the interest accruing to the maturity of the next installment~~
9 ~~of interest or principal.~~

10 **SECTION 6.** In Colorado Revised Statutes, 32-20-107, **amend**
11 (1), (2), (4) (b), and (4) (f) as follows:

12 **32-20-107. Special assessment constitutes lien - filing - sale of**
13 **property for nonpayment.** (1) (a) A special assessment, together with
14 all interest thereon and penalties for default in payment thereof, and
15 associated collection costs ~~shall constitute~~ CONSTITUTES, from the date of
16 the recording of the assessing resolution and assessment roll pursuant to
17 subsection (2) of this section, a perpetual lien in the amount assessed
18 against the assessed eligible real property and ~~shall have~~ HAS priority over
19 all other liens; except that:

20 (I) General tax liens ~~shall~~ have priority over district special
21 assessment liens;

22 (II) A DISTRICT SPECIAL ASSESSMENT LIEN HAS PRIORITY OVER A
23 PREEXISTING LIEN ONLY IF THE MORTGAGE HOLDER CONSENTS AS
24 SPECIFIED IN SECTION 32-20-105 (3) (i); and

25 (III) Liens for assessments imposed by other governmental entities
26 ~~shall~~ have coequal priority with district special assessment liens.

27 (b) Neither the sale of eligible real property in the district to

1 enforce the payment of general ad valorem taxes nor the issuance of a
2 treasurer's deed in connection with ~~such a~~ THE sale ~~shall extinguish~~
3 EXTINGUISHES the lien of a special assessment. If ASSESSED eligible real
4 property ~~assessed~~ is subdivided, the BOARD MAY APPORTION THE
5 assessment lien ~~may be apportioned by the board~~ in ~~such~~ THE manner as
6 ~~may be~~ provided in the assessing resolution.

7 (2) The district shall transmit to a county clerk and recorder of a
8 county that includes eligible real property included in the district copies
9 of the district's assessing resolution after its final adoption by the board
10 and the assessment roll for recording on the land records of each unit of
11 eligible real property assessed within the county as provided in article 30,
12 35, or 36 of title 38, C.R.S. The assessing resolution and assessment roll
13 shall be indexed in the grantor index under the name of the district
14 member and in the grantee index under the Colorado new energy
15 improvement district. In addition, the county clerk and recorder shall file
16 copies of the assessing resolution, after its final adoption by the board,
17 and the assessment roll with the county assessor and the county treasurer.
18 The county assessor is authorized to create separate schedules for each
19 unit of eligible real property assessed within the county pursuant to the
20 resolution. IN ASSESSING THE VALUE OF ELIGIBLE REAL PROPERTY, THE
21 COUNTY ASSESSOR SHALL NOT TAKE INTO ACCOUNT ANY INCREASE IN THE
22 MARKET VALUE OF THE ELIGIBLE REAL PROPERTY RESULTING FROM THE
23 COMPLETION OF A NEW ENERGY IMPROVEMENT.

24 (4) (b) At any sale by a county treasurer of any eligible real
25 property for the purpose of paying a special assessment, the board may
26 purchase the property for the district without paying for the property in
27 cash and shall receive certificates of purchase for the property in the name

1 of the district. The certificates shall be received and credited at their face
2 value, with all interest and penalties accrued, on account of the
3 assessment installment in pursuance of which the sale was made. The
4 ~~certificates~~ BOARD may thereafter ~~be sold by the board~~ SELL THE
5 CERTIFICATES at their face value, with all interest and penalties accrued,
6 and assigned to the purchaser in the name of the district. The BOARD
7 SHALL CREDIT THE proceeds of the sale ~~shall be credited~~ to the fund
8 created by resolution for the payment of ~~such~~ THE assessments,
9 respectively; EXCEPT THAT, IF THE NEW ENERGY IMPROVEMENTS WERE
10 FINANCED UNDER SECTION 32-20-105 (3) (h), THE BOARD SHALL CREDIT
11 THE PROCEEDS OF THE SALE TO THE PRIVATE THIRD PARTY THAT FINANCED
12 THE NEW ENERGY IMPROVEMENTS. If the district has repaid all special
13 assessment bonds in full, the BOARD MAY SELL THE certificates ~~may be~~
14 ~~sold by the board~~ for the best price obtainable at public sale, at auction,
15 or by sealed bids in the same manner and under the same conditions as
16 provided in paragraph (d) of this subsection (4). Such assignments ~~shall~~
17 ~~be~~ ARE without recourse, and the sale and assignments ~~shall~~ operate as a
18 lien in favor of the purchaser and assignee as is provided by law in the
19 case of sale of real estate in default of payment of the general property
20 tax.

21 (f) The BOARD SHALL CREDIT THE proceeds of any sale of property
22 ~~shall be credited~~ to the appropriate special assessment fund; EXCEPT
23 THAT, IF THE NEW ENERGY IMPROVEMENTS WERE FINANCED UNDER
24 SECTION 32-20-105 (3) (h), THE BOARD SHALL CREDIT THE PROCEEDS OF
25 THE SALE TO THE PRIVATE THIRD PARTY THAT FINANCED THE NEW ENERGY
26 IMPROVEMENTS. The district shall deduct ~~therefrom~~ FROM THE
27 APPROPRIATE SPECIAL ASSESSMENT FUND the necessary expenses in

1 securing deeds and taking proceedings for the sale or foreclosure.

2 **SECTION 7.** In Colorado Revised Statutes, 32-20-108, **amend**
3 (1) and (8) as follows:

4 **32-20-108. Special assessment bonds - legal investment -**
5 **exemption from taxation.** (1) The district shall issue special assessment
6 bonds in an aggregate principal amount of not more than eight hundred
7 million dollars for the purpose of generating the moneys needed to make
8 reimbursement or a direct payment to district members and to pay other
9 costs of the district. ~~The bonds~~ BOARD shall ~~be issued~~ ISSUE THE BONDS
10 pursuant to a resolution of the board or a trust indenture, ~~shall~~ MUST not
11 be secured by an encumbrance, mortgage, or other pledge of real or
12 personal property of the district, and ~~shall be~~ ARE payable from special
13 assessments, OTHER THAN THOSE ATTRIBUTABLE TO PRIVATE
14 THIRD-PARTY FINANCING UNDER SECTION 32-20-105 (3) (h), and any other
15 lawfully pledged district revenues unless the bond resolution or trust
16 indenture specifically limits the source of district revenues from which
17 the bonds are payable. ~~The bonds shall~~ DO not constitute a debt or other
18 financial obligation of the state. The board may adopt one or more
19 resolutions creating special assessment units comprised of multiple units
20 of eligible real property on which the board has levied a special
21 assessment and may issue special assessment bonds payable from special
22 assessments imposed within the entire district, OTHER THAN THOSE
23 ATTRIBUTABLE TO PRIVATE THIRD-PARTY FINANCING UNDER SECTION
24 32-20-105 (3) (h), or from special assessments imposed only within one
25 or more specified special assessment units.

26 (8) (a) The state hereby pledges and agrees with the holders of any
27 bonds, PRIVATE THIRD PARTIES THAT HAVE FINANCED NEW ENERGY

1 IMPROVEMENTS UNDER SECTION 32-20-105 (3) (h), and ~~with~~ those parties
2 who enter into contracts with the district pursuant to this article that the
3 state will not limit, alter, restrict, or impair the rights vested in the district
4 or the rights or obligations of any person with which the district contracts
5 to fulfill the terms of any agreements made pursuant to this article. The
6 state further agrees that it will not in any way impair the rights or
7 remedies of:

8 (I) The holders of bonds until the bonds have been paid or until
9 adequate provision for payment has been made; OR

10 (II) THE PRIVATE THIRD PARTIES THAT HAVE FINANCED NEW
11 ENERGY IMPROVEMENTS UNDER SECTION 32-20-105 (3) (h).

12 (b) The district may include ~~this provision and undertaking for the~~
13 ~~district~~ THE PROVISIONS SPECIFIED IN PARAGRAPH (a) OF THIS SUBSECTION
14 (8) in its bonds OR CONTRACTS WITH PRIVATE THIRD PARTIES THAT HAVE
15 FINANCED NEW ENERGY IMPROVEMENTS UNDER SECTION 32-20-105 (3)
16 (h).

17 **SECTION 8.** In Colorado Revised Statutes, **repeal** 32-20-110 as
18 follows:

19 **32-20-110. Repeal of article - inapplicable if the district has**
20 **outstanding bond obligations.** ~~(1) Except as otherwise provided in~~
21 ~~subsection (2) of this section, this article is repealed, effective January 1,~~
22 ~~2016.~~

23 ~~(2) In accordance with section 32-20-108 (8), this article shall not~~
24 ~~be repealed as provided in subsection (1) of this section if the district has~~
25 ~~issued bonds that have not been repaid in full as of January 1, 2016.~~
26 ~~However, the district shall not accept any new application for the program~~
27 ~~or issue any additional bonds on or after January 1, 2016.~~

1 **SECTION 9. Applicability.** This act applies to conduct occurring
2 on or after the effective date of this act.

3 **SECTION 10. Safety clause.** The general assembly hereby finds,
4 determines, and declares that this act is necessary for the immediate
5 preservation of the public peace, health, and safety.