

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

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

7 (50 ILCS 50/5)

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

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

16 "Assessment" means a special assessment imposed by a  
17 governmental unit pursuant to an assessment contract.

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

22 "Authority" means the Illinois Finance Authority.

23 "Capital provider" means any credit union, federally

1 insured depository institution, insurance company, trust  
2 company, or other entity approved by a governmental unit or its  
3 program administrator or program administrators that finances  
4 or refinances an energy project by purchasing PACE bonds issued  
5 by the governmental unit or the Authority for that purpose.  
6 "Capital provider" also means any special purpose vehicle that  
7 is directly or indirectly wholly owned by one or more of the  
8 entities listed in this definition or any bond underwriter.

9 ~~"PACE area" means an area within the jurisdictional~~  
10 ~~boundaries of a local unit of government created by an~~  
11 ~~ordinance or resolution of the local unit of government to~~  
12 ~~provide financing for energy projects under a property assessed~~  
13 ~~clean energy program. A local unit of government may create~~  
14 ~~more than one PACE area under the program, and PACE areas may~~  
15 ~~be separate, overlapping, or coterminous.~~

16 "Energy efficiency improvement" means any fixture,  
17 product, system, equipment, device, material, or interacting  
18 group thereof ~~devices, or materials~~ intended to decrease energy  
19 consumption or enable ~~promote~~ a more efficient use of  
20 electricity, natural gas, propane, or other forms of energy on  
21 property, including, but not limited to, all of the following:

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

24 (2) energy efficient ~~storm~~ windows and doors,  
25 multi-glazed windows and doors, heat-absorbing or  
26 heat-reflective glazed and coated window and door systems,

1 and additional glazing, reductions in glass area, and other  
2 window and door systems ~~system modifications~~ that reduce  
3 energy consumption;

4 (3) automated energy or water control systems;

5 (4) high efficiency heating, ventilating, or  
6 air-conditioning and distribution systems ~~system~~  
7 ~~modifications or replacements~~;

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

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

11 (7) energy controls or recovery systems;

12 (8) day lighting systems;

13 (8.1) any energy efficiency project, as defined in  
14 Section 825-65 of the Illinois Finance Authority Act; and

15 (9) any other fixture, product, system, installation  
16 ~~or modification of~~ equipment, device, or material intended  
17 ~~devices, or materials approved~~ as a utility or other  
18 cost-savings measure as approved by the governmental unit  
19 ~~governing body~~.

20 "Energy project" means the acquisition, construction,  
21 installation, or modification of an alternative energy  
22 improvement, energy efficiency improvement, renewable energy  
23 improvement, resiliency improvement, or water use improvement,  
24 ~~or the acquisition, installation, or improvement of a renewable~~  
25 ~~energy system that is affixed to~~ real ~~a stabilized existing~~  
26 property (including new construction).

1 "Governing body" means the legislative body, council,  
2 board, commission, trustees, or any other body by whatever name  
3 it is known having charge of the corporate affairs of a  
4 governmental unit ~~county board or board of county commissioners~~  
5 ~~of a county, the city council of a city, or the board of~~  
6 ~~trustees of a village.~~

7 "Governmental ~~Local~~ unit ~~of government~~" means any ~~a~~ county  
8 or municipality, city, or village.

9 "PACE area" means an area within the jurisdictional  
10 boundaries of a governmental unit created by an ordinance or  
11 resolution of the governmental unit to provide financing for  
12 energy projects under a property assessed clean energy program.  
13 A governmental unit may create more than one PACE area under  
14 the program and PACE areas may be separate, overlapping, or  
15 coterminous.

16 "PACE bond" means any bond, note, or other evidence of  
17 indebtedness representing an obligation to pay money,  
18 including refunding bonds, issued under or in accordance with  
19 Section 35.

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

25 "~~Person~~" means ~~an individual, firm, partnership,~~  
26 ~~association, corporation, limited liability company,~~

1 ~~unincorporated joint venture, trust, or any other type of~~  
2 ~~entity that is recognized by law and has the title to or~~  
3 ~~interest in property. "Person" does not include a local unit of~~  
4 ~~government or a homeowner's or condominium association, but~~  
5 ~~does include other governmental entities that are not local~~  
6 ~~units of government.~~

7 "Program administrator" means a for-profit entity or a  
8 not-for-profit ~~not for profit~~ entity that will administer a  
9 program on behalf of or at the discretion of the governmental  
10 unit ~~local unit of government. It or its affiliates,~~  
11 ~~consultants, or advisors shall have done business as a program~~  
12 ~~administrator or capital provider for a minimum of 18 months~~  
13 ~~and shall be responsible for arranging capital for the~~  
14 ~~acquisition of bonds issued by the local unit of government or~~  
15 ~~the Authority to finance energy projects.~~

16 "Property" means any privately-owned commercial,  
17 industrial, non-residential agricultural, or multi-family (of  
18 5 or more units) real property or any real property owned by a  
19 not-for-profit located within the governmental ~~local~~ unit ~~of~~  
20 ~~government~~, but does not include any real property owned by a  
21 governmental ~~local~~ unit ~~of government or a homeowner's or~~  
22 ~~condominium association.~~

23 "Property assessed clean energy program" or "program"  
24 means the program of a governmental unit to provide financing  
25 or refinancing for energy projects within PACE areas it has  
26 created under Section 10 and Section 15 ~~a program as described~~

1 ~~in Section 10.~~

2 "Record owner" means the titleholder or ~~person who is the~~  
3 ~~titleholder or~~ owner of the beneficial interest in real  
4 property.

5 "Renewable energy improvement" means any fixture, product,  
6 system, equipment, device, material, or interacting group  
7 thereof on the property of the record owner that uses one or  
8 more renewable energy resources to generate electricity,  
9 including any renewable energy project, as defined in Section  
10 825-65 of the Illinois Finance Authority Act.

11 "Renewable energy resource" includes energy and its  
12 associated renewable energy credit or renewable energy credits  
13 from wind energy, solar thermal energy, geothermal energy,  
14 photovoltaic cells and panels, biodiesel, anaerobic digestion,  
15 and hydropower that does not involve new construction or  
16 significant expansion of hydropower dams. For purposes of this  
17 Act, landfill gas produced in the State is considered a  
18 renewable energy resource. The term "renewable energy  
19 resources" does not include the incineration or burning of any  
20 solid material.

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

1       "Resiliency improvement" means any fixture, product,  
2 system, equipment, device, material, or interacting group  
3 thereof intended to increase resilience or improve the  
4 durability of infrastructure, including but not limited to,  
5 seismic retrofits, flood mitigation, fire suppression, wind  
6 resistance, energy storage, microgrids, and backup power  
7 generation.

8       "Warehouse fund" means any fund or account established by a  
9 governmental unit, the Authority, or a capital provider ~~local~~  
10 ~~unit of government, body politic and corporate, or warehouse~~  
11 ~~lender.~~

12       ~~"Warehouse lender" means any financial institution~~  
13 ~~participating in a PACE area that finances an energy project~~  
14 ~~from lawfully available funds in anticipation of issuing bonds~~  
15 ~~as described in Section 35.~~

16       "Water use improvement" means any resiliency improvement,  
17 fixture, product, system, equipment, device, material, or  
18 interacting group thereof intended to conserve for or serving  
19 any property that has the effect of conserving water resources  
20 or improve water quality on property, including, but not  
21 limited to, all of the following: ~~through improved~~

22           (1) water management or efficiency systems;~~-~~

23           (2) water recycling;

24           (3) capturing, reusing, managing, and treating  
25 stormwater;

26           (4) bioretention, trees, green roofs, porous

1 pavements, or cisterns for maintaining or restoring  
2 natural hydrology;

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

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

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

11 (50 ILCS 50/10)

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

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

17 (b) Under a program, the governmental ~~local unit of~~  
18 ~~government~~ may enter into an assessment contract with the  
19 record owner of property within a PACE area to finance or  
20 refinance one or more energy projects on the property. The  
21 assessment contract shall provide for the repayment of all or a  
22 portion of the cost of an energy project through assessments  
23 upon the property benefited. The amount of the financing or  
24 refinancing may include any and all of the following: the cost  
25 of materials and labor necessary for acquisition,



1 construction, installation, or modification of the energy  
2 project, permit fees, inspection fees, application and  
3 administrative fees, financing fees, reserves, capitalized  
4 interest, costs of billing the assessment ~~bank fees,~~ and all  
5 other fees, costs, and expenses that may be incurred by the  
6 record owner pursuant to the acquisition, construction,  
7 installation, or modification of the energy project, and the  
8 costs of issuance of PACE bonds on a specific or pro rata  
9 basis, as determined by the governmental ~~local~~ unit ~~of~~  
10 ~~government~~ and may also include a prepayment premium.

11 (b-5) A governmental ~~local~~ unit ~~of government~~ may sell or  
12 assign, for consideration, any and all assessment contracts;  
13 the permitted assignee of the assessment contract shall have  
14 and possess the delegable ~~same~~ powers and rights at law or in  
15 equity as the applicable governmental ~~local~~ unit ~~of government~~  
16 ~~and its tax collector~~ would have if the assessment contract had  
17 not been assigned with regard to (i) the precedence and  
18 priority of liens evidenced by the assessment contract, (ii)  
19 the accrual of interest, and (iii) the fees and expenses of  
20 collection. The permitted assignee shall have the right ~~same~~  
21 ~~rights~~ to enforce such liens pursuant to subsection (a) of  
22 Section 30 ~~as any private party holding a lien on real~~  
23 ~~property, including, but not limited to, foreclosure.~~ Costs and  
24 reasonable attorney's fees incurred by the permitted assignee  
25 as a result of any foreclosure action or other legal proceeding  
26 brought pursuant to this Act ~~Section~~ and directly related to

1 the proceeding shall be assessed in any such proceeding against  
2 each record owner subject to the proceedings. A governmental  
3 unit or the Authority may sell or assign assessment contracts  
4 without competitive bidding or the solicitation of requests for  
5 proposals or requests for qualifications ~~Such costs and fees~~  
6 ~~may be collected by the assignee at any time after demand for~~  
7 ~~payment has been made by the permitted assignee.~~

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

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

12 (50 ILCS 50/15)

13 Sec. 15. Program established.

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

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

19 (2) a statement of intent to facilitate access to  
20 capital (which may be from one or more program  
21 administrators or as otherwise permitted by this Act) to  
22 provide funds for energy projects, which will be repaid by  
23 assessments on the property benefited with the agreement of  
24 the record owners;

25 (3) a description of the proposed arrangements for

1            financing the program through the issuance of PACE bonds  
2            under or in accordance with Section 35, which PACE bonds  
3            may be purchased by one or more capital providers, ~~which~~  
4            ~~may be through one or more program administrators;~~

5            (4) the types of energy projects that may be financed  
6            or refinanced;

7            (5) a description of the territory within the PACE  
8            area;

9            (6) a transcript of public comments if any  
10           discretionary public hearing ~~reference to a report~~ on the  
11           proposed program was previously held by the governmental  
12           unit prior to the consideration of the resolution or  
13           ordinance establishing the program; and as described in  
14           Section 20;

15           (7) (blank); ~~the time and place for a public hearing to~~  
16           ~~be held by the local unit of government if required for the~~  
17           ~~adoption of the proposed program by resolution or~~  
18           ~~ordinance;~~

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

24           (9) (blank). ~~a description of which aspects of the~~  
25           ~~program may be amended without a new public hearing and~~  
26           ~~which aspects may be amended only after a new public~~

1 ~~hearing is held.~~

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

6 (Source: P.A. 100-77, eff. 8-11-17; 100-863, eff. 8-14-18;  
7 100-980, eff. 1-1-19.)

8 (50 ILCS 50/20)

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

11 (1) a form of assessment contract between the  
12 governmental local ~~unit of government~~ and record owner  
13 governing the terms and conditions of financing and  
14 assessment under the program;

15 (2) identification of one or more officials ~~an official~~  
16 authorized to enter into an assessment contract on behalf  
17 of the governmental local ~~unit of government~~;

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

21 (4) an application process and eligibility  
22 requirements for financing or refinancing energy projects  
23 under the program;

24 (5) a method for determining interest rates on amounts  
25 financed or refinanced under assessment contracts

1 ~~installments~~, repayment periods, and the maximum amount of  
2 an assessment, if any;

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

5 (7) a plan to ~~raise capital to~~ finance ~~improvements~~  
6 ~~under~~ the program pursuant to the issuance ~~sale~~ of PACE  
7 bonds under or in accordance with Section 35; ~~subject to~~  
8 ~~this Act or the Special Assessment Supplemental Bond and~~  
9 ~~Procedures Act, or alternatively, through the sale of bonds~~  
10 ~~by the Authority pursuant to subsection (d) of Section~~  
11 ~~825-65 of the Illinois Finance Authority Act~~;

12 (8) information regarding all of the following, to the  
13 extent known, or procedures to determine the following in  
14 the future:

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

18 (B) any application, administration, or other  
19 program fees to be charged to record owners  
20 participating in the program that will be used to  
21 finance and reimburse all or a portion of costs  
22 incurred by the governmental ~~local~~ unit ~~of government~~  
23 as a result of its ~~the~~ program;

24 (9) a requirement that the term of an assessment not  
25 exceed the useful life of the energy project financed or  
26 refinanced under an assessment contract; provided that an

1 assessment contract financing or refinancing multiple  
2 energy projects with varying lengths of useful life may  
3 have a term that is calculated in accordance with the  
4 principles established by the program report ~~paid for by~~  
5 ~~the assessment; provided that the local unit of government~~  
6 ~~may allow projects that consist of multiple improvements~~  
7 ~~with varying lengths of useful life to have a term that is~~  
8 ~~no greater than the improvement with the longest useful~~  
9 ~~life;~~

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

15 (A) the value of the property as determined by the  
16 office of the county assessor; or

17 (B) the value of the property as determined by an  
18 appraisal conducted by a licensed appraiser;

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

22 (12) provisions for marketing and participant  
23 education; and

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

26 (14) quality assurance and antifraud measures.

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

2 (50 ILCS 50/25)

3 Sec. 25. Assessment contracts ~~Contracts~~ with record owners  
4 of property.

5 (a) ~~A~~ ~~After creation of a program and PACE area,~~ a record  
6 owner of property within the PACE area may apply to ~~with~~ the  
7 governmental local unit of government or its program  
8 administrator or program administrators ~~for funding~~ to finance  
9 or refinance an energy project under the governmental unit's  
10 program.

11 (b) A governmental local unit of government may impose an  
12 assessment under a property assessed clean energy program only  
13 pursuant to the terms of a recorded assessment contract with  
14 the record owner of the property to be assessed.

15 (c) Before entering into an assessment contract with a  
16 record owner under a program, the governmental unit or its  
17 program administrator or program administrators ~~local unit of~~  
18 ~~government~~ shall verify that the applicable property is  
19 entirely within the PACE area and receive evidence of all of  
20 the following:

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

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

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

1           (4) whether there are any ~~no~~ involuntary liens on the  
2 property, including, but not limited to, construction or  
3 mechanics liens, lis pendens or judgments against the  
4 record owner, environmental proceedings, or eminent domain  
5 proceedings;

6           (5) that no notices of default or other evidence of  
7 property-based debt delinquency have been recorded and not  
8 cured;

9           (6) that the record owner is current on all mortgage  
10 debt on the property, the record owner has not filed for  
11 bankruptcy in the last 2 years, and the property is not an  
12 asset ~~in~~ to a current bankruptcy proceeding;

13           (7) that all work requiring a license under any  
14 applicable law to acquire, construct, install, or modify an  
15 energy project ~~make a qualifying improvement~~ shall be  
16 performed by a licensed ~~registered~~ contractor that has  
17 agreed to adhere to a set of terms and conditions through a  
18 process established by the governmental local unit or its  
19 program administrator or program administrators; ~~of~~  
20 ~~government.~~

21           (8) that the contractor or contractors to be used have  
22 signed a written acknowledgement that the governmental  
23 unit or its program administrator or program  
24 administrators ~~local unit of government~~ will not authorize  
25 final payment to the contractor or contractors until the  
26 governmental local unit of government has received written



1 confirmation from the record owner that the energy project  
2 ~~improvement~~ was properly acquired, constructed, installed,  
3 or modified and is operating as intended; provided,  
4 however, that the contractor or contractors retain ~~retains~~  
5 all legal rights and remedies in the event there is a  
6 disagreement with the record owner;

7 (9) that the aggregate amount financed or refinanced  
8 under one or more ~~amount of the~~ assessment contracts does  
9 not exceed 25% in relation to the greater of any of the  
10 following:

11 (A) the value of the property as determined by the  
12 office of the county assessor; or

13 (B) the value of the property as determined by an  
14 appraisal conducted by a licensed appraiser ~~the~~  
15 ~~assessed value of the property or the appraised value~~  
16 ~~of the property, as determined by a licensed appraiser,~~  
17 ~~does not exceed 25%; and~~

18 (10) ~~a requirement~~ that an evaluation ~~assessment~~ of the  
19 existing water or energy use and a modeling of expected  
20 monetary savings have been conducted for any proposed  
21 energy efficiency improvement, renewable energy  
22 improvement, or water use improvement, unless the water use  
23 improvement is undertaken to improve water quality  
24 project.

25 (d) Before ~~At least 30 days before~~ entering into an  
26 assessment contract with the governmental ~~local~~ unit ~~of~~

1 ~~government~~, the record owner shall provide to the mortgage  
2 holders of ~~or loan servicers of~~ any existing mortgages  
3 encumbering or otherwise secured by the property a notice of  
4 the record owner's intent to enter into an assessment contract  
5 with the governmental local ~~unit of government~~, together with  
6 the maximum principal amount to be financed or refinanced and  
7 the maximum annual assessment necessary to repay that amount,  
8 along with an additional ~~a~~ request that the mortgage holders ~~or~~  
9 ~~loan servicers~~ of any existing mortgages consent to the record  
10 owner subjecting the property to the program. The governmental  
11 unit shall be provided with a ~~A verified~~ copy or other proof of  
12 those notices and the written consent of the ~~existing~~ mortgage  
13 holder for the record owner to enter into the assessment  
14 contract which acknowledges ~~and acknowledging~~ that (i) the  
15 existing mortgage or mortgages for which the consent was  
16 received will be subordinate to the ~~financing and~~ assessment  
17 contract and the lien created thereby and (ii) the governmental  
18 ~~agreement and that the local unit of government or its~~  
19 permitted assignee can foreclose the property if the  
20 assessments are ~~assessment is not paid shall be provided to the~~  
21 ~~local unit of government.~~

22 (e) (Blank). ~~A provision in any agreement between a local~~  
23 ~~unit of government and a public or private power or energy~~  
24 ~~provider or other utility provider is not enforceable to limit~~  
25 ~~or prohibit any local unit of government from exercising its~~  
26 ~~authority under this Section.~~

1 (f) If the ~~The~~ record owner has signed a certification that  
2 the governmental local unit of government has complied with the  
3 provisions of this Section, then this ~~which~~ shall be conclusive  
4 evidence as to compliance with these provisions, but shall not  
5 relieve any contractor~~7~~ or the governmental local unit of  
6 ~~government7~~ from any potential liability.

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

10 (h) The imposition of any assessment pursuant to this Act  
11 shall be exempt from any other statutory procedures or  
12 requirements that condition the imposition of special  
13 assessments or ~~other~~ taxes against a property, except as  
14 specifically set forth in this Act.

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

16 (50 ILCS 50/30)

17 Sec. 30. Assessments constitute a lien; billing and  
18 collecting.

19 (a) An assessment contract shall be recorded with the  
20 county in which the PACE area is located. An assessment imposed  
21 under a property assessed clean energy program pursuant to an  
22 assessment contract, including any interest on the assessment  
23 and any penalty, shall, upon recording of the assessment  
24 contract in the county in which the PACE area is located,  
25 constitute a lien against the property on which the assessment

1 is imposed until the assessment, including any interest or  
2 penalty, is paid in full. The lien of the assessment contract  
3 shall run with the property until the assessment is paid in  
4 full and a satisfaction or release for the same has been  
5 recorded by the governmental unit or its program administrator  
6 or program administrators ~~with the local unit of government~~ and  
7 shall have the same lien priority and status as other property  
8 tax and special assessment liens as provided in the Property  
9 Tax Code. The governmental ~~local~~ unit ~~of government~~ (or any  
10 permitted assignee) shall have all rights and remedies in the  
11 case of default or delinquency in the payment of an assessment  
12 as it does with respect to delinquent property taxes and other  
13 delinquent special assessments as set forth in Article 9 of the  
14 Illinois Municipal Code, including the lien, sale, and  
15 foreclosure remedies described in that Article. When the  
16 assessment, including any interest and penalty, is paid in  
17 full, the lien shall be removed and released from the property.

18 (a-5) The assessment shall be imposed by the governmental  
19 ~~local~~ unit ~~of government~~ against each lot, block, tract, ~~track~~  
20 and parcel of land set forth in ~~within~~ the assessment contract  
21 ~~PACE area to be assessed in accordance with an assessment roll~~  
22 ~~setting forth: (i) a description of the method of spreading the~~  
23 ~~assessment; (ii) a list of lots, blocks, tracts and parcels of~~  
24 ~~land in the PACE area; and (iii) the amount assessed on each~~  
25 ~~parcel. The assessment roll shall be filed with the county~~  
26 ~~clerk of the county in which the PACE area is located for use~~

1 ~~in establishing the lien and collecting the assessment.~~

2 (b) (Blank). ~~Installments of assessments due under a~~  
3 ~~program may be included in each tax bill issued under the~~  
4 ~~Property Tax Code and may be collected at the same time and in~~  
5 ~~the same manner as taxes collected under the Property Tax Code.~~  
6 ~~Alternatively, installments may be billed and collected as~~  
7 ~~provided in a special assessment ordinance of general~~  
8 ~~applicability adopted by the local unit of government pursuant~~  
9 ~~to State law or local charter. In no event will partial payment~~  
10 ~~of an assessment be allowed.~~

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

13 (1) A county which has established a program may  
14 include assessments in the regular property tax bills of  
15 the county. The county collector of the county in which a  
16 PACE area is located may bill and collect assessments with  
17 the regular property tax bills of the county if requested  
18 by a municipality within its jurisdiction; no municipality  
19 is required to make such a request of its county collector.  
20 If the county collector agrees to bill and collect  
21 assessments with the regular property tax bills of the  
22 county, then the applicable assessment contract shall be  
23 filed with the county collector and the annual amount due  
24 as set forth in an assessment contract shall become due in  
25 installments at the times property taxes shall become due  
26 in accordance with each regular property tax bill payable

1 during the year in which such assessment comes due;

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

14 (3) If a governmental unit is billing and collecting  
15 assessments pursuant to paragraph (2) of this subsection,  
16 assessment installments may be billed and collected by the  
17 governmental unit's program administrator or program  
18 administrators or another third party.

19 The assessment installments for assessments billed as  
20 provided for under any paragraph of this subsection shall be  
21 payable at the times and in the manner as set forth in the  
22 applicable bill.

23 (c) If a governmental unit, a program administrator, or  
24 another third party is billing and collecting assessments  
25 pursuant to subsection (b-5), and the applicable assessment  
26 becomes delinquent during any year, the applicable collector

1 shall, on or before the date in such year required by the  
2 county in which the PACE area is located, make a report in  
3 writing to the general office of the county in which the  
4 applicable property subject to the assessment is situated and  
5 authorized by the general revenue laws of this State to apply  
6 for judgment and sell lands for taxes due the county and the  
7 State, of the assessments or installments thereof the  
8 applicable collector has billed for and not received as  
9 required under the applicable bill, including any interest or  
10 penalties that may be due as set forth in the applicable  
11 assessment contract. This report shall be certified by the  
12 applicable collector and shall include statements that (i) the  
13 report contains true and correct list of delinquent assessments  
14 that the collector has not received as required by the  
15 applicable bill and (ii) an itemization of the amount of the  
16 delinquent assessment, including interest and penalties, if  
17 applicable. The report of the applicable collector, when so  
18 made, shall be prima facie evidence that all requirements of  
19 the law in relation to making the report have been complied  
20 with and that the assessments or the matured installments  
21 thereof, and the interest thereon, and the interest accrued on  
22 installments not yet matured, mentioned in the report, are due  
23 and unpaid. Upon proper filing of such report, at the direction  
24 of the governmental unit or its permitted assignee, the county  
25 collector shall enforce the collection of the assessments in  
26 the manner provided by law.

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

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

10        (50 ILCS 50/35)

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

12        (a) Except as provided for in subsection (k), a  
13        governmental unit shall ~~A local unit of government may~~ issue  
14        PACE bonds under this Act ~~or the Special Assessment~~  
15        ~~Supplemental Bond and Procedures Act,~~ or the Authority shall  
16        ~~may~~ issue PACE bonds in accordance with this Act and pursuant  
17        to ~~under~~ subsection (d) of Section 825-65 of the Illinois  
18        Finance Authority Act ~~upon assignment of the assessment~~  
19        ~~contracts securing such bonds by the local unit of government~~  
20        ~~to the Authority,~~ in either case to finance or refinance energy  
21        projects under a property assessed clean energy program.  
22        ~~Interim financing prior to the issuance of bonds authorized by~~  
23        ~~this Section may be provided only by a warehouse fund, except~~  
24        ~~that warehouse funds established by a warehouse lender may only~~  
25        ~~hold assessment contracts for 36 months or less.~~



1 (b) PACE bonds issued under this Act or in accordance with  
2 this Act and pursuant to subsection (d) of Section 825-65 of  
3 the Illinois Finance Authority Act: Bonds issued under  
4 subsection (a) shall

5 (1) shall not be general obligations of the  
6 governmental local unit of government or the Authority, as  
7 applicable, but shall be secured by the following ~~as~~  
8 ~~provided by the governing body in the resolution or~~  
9 ~~ordinance approving the bonds:~~

10 (A) ~~(1)~~ payments under one or more assessment  
11 contracts of assessments on benefited property or  
12 properties within the PACE area or PACE areas  
13 specified; and

14 (B) if applicable, municipal bond insurance,  
15 letters of credit, or public or private guarantees or  
16 sureties; and

17 (C) ~~(2)~~ if applicable, revenue sources or reserves  
18 established by the governmental local unit of  
19 government or the Authority from bond proceeds or other  
20 lawfully available funds;

21 (2) may be secured on a parity basis with PACE bonds of  
22 another series or subseries issued by the governmental unit  
23 or the Authority pursuant to the terms of a master  
24 indenture entered into as authorized by an ordinance or  
25 resolution adopted by the governing body or the Authority,  
26 as applicable;

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

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

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

8           (6) may be subject to redemption with or without  
9           premium upon such terms and provisions as may be provided  
10           under the terms of a master indenture entered into as  
11           authorized by an ordinance or resolution adopted by the  
12           governing body or the Authority, as applicable, including,  
13           without limitation, terms as to the order of redemption  
14           (numerical, pro rata, by series, subseries, or otherwise)  
15           and as to the timing thereof;

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

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

23           (c) A pledge of assessments, funds, or contractual rights  
24           made by a governmental unit or the Authority ~~governing body~~ in  
25           connection with the issuance of PACE bonds ~~by a local unit of~~  
26           ~~government~~ under this Act or in accordance with this Act and

1 pursuant to Section 825-65 of the Illinois Finance Authority  
2 Act constitutes a statutory lien on the assessments, funds, or  
3 contractual rights so pledged in favor of the person or persons  
4 to whom the pledge is given, without further action taken by a  
5 governmental unit or the Authority, as applicable ~~by the~~  
6 ~~governing body~~. The statutory lien is valid and binding against  
7 all other persons, with or without notice.

8 (d) (Blank). ~~Bonds of one series issued under this Act may~~  
9 ~~be secured on a parity with bonds of another series issued by~~  
10 ~~the local unit of government or the Authority pursuant to the~~  
11 ~~terms of a master indenture or master resolution entered into~~  
12 ~~or adopted by the governing body of the local unit of~~  
13 ~~government or the Authority.~~

14 (d-5) The State pledges to and agrees with the holders of  
15 any PACE bonds issued under this Act or in accordance with the  
16 Act and pursuant to Section 825-65 of the Illinois Finance  
17 Authority Act that the State will not limit or alter the rights  
18 and powers vested in governmental units by this Act or in the  
19 Authority in accordance with this Act and pursuant to Section  
20 825-65 of the Illinois Finance Authority Act so as to impair  
21 the terms of any contract made by a governmental unit or by the  
22 Authority with those bondholders or in any way to impair the  
23 rights or remedies of those bondholders until the PACE bonds,  
24 together with the interest thereon, and all costs and expenses  
25 in connection with any actions or proceedings by or on behalf  
26 of those bondholders are fully met and discharged.

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

3           (f) PACE bonds ~~Bonds~~ issued under this Act or in accordance  
4 with this Act and pursuant to Section 825-65 of the Illinois  
5 Finance Authority Act further essential public and  
6 governmental purposes, including, but not limited to, reduced  
7 energy costs and, reduced greenhouse gas emissions, enhanced  
8 water quality and conservation, economic stimulation and  
9 development, improved property resiliency and valuation, and  
10 increased employment.

11           (g) A capital provider ~~program administrator~~ can assign its  
12 rights to purchase PACE ~~the~~ bonds issued by the governmental  
13 unit or the Authority to a designated transferee ~~to a third~~  
14 ~~party~~.

15           (h) A law firm shall be retained to give a written bond  
16 opinion in connection with any PACE bond issued under this Act  
17 or in accordance with this Act and pursuant to Section 825-65  
18 of the Illinois Finance Authority Act in form and substance as  
19 requested by the issuer of the PACE bonds or the capital  
20 provider.

21           (i) PACE bonds ~~Bonds~~ issued by the Authority in accordance  
22 with ~~under~~ this Act and pursuant to subsection (d) of Section  
23 825-65 of the Illinois Finance Authority Act shall not be  
24 entitled to the benefits of Section 825-75 of the Illinois  
25 Finance Authority Act.

26           (j) PACE bonds issued by a governmental unit may otherwise

1 have any attributes permitted to bonds under the Local  
2 Government Debt Reform Act, as the governing body may provide.

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

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

10 (50 ILCS 50/42 new)

11 Sec. 42. Supplemental powers.

12 (a) The provisions of this Act are intended to be  
13 supplemental and in addition to all other powers or authorities  
14 granted to any governmental unit, shall be construed liberally,  
15 and shall not be construed as a limitation of any power or  
16 authority otherwise granted.

17 (b) A governmental unit may use the provisions of this Act  
18 by referencing this Act in the resolution or ordinance  
19 described in Section 15.

20 (50 ILCS 50/45 new)

21 Sec. 45. Recital. PACE bonds that are issued under this Act  
22 or in accordance with this Act and pursuant to Section 825-65  
23 of the Illinois Finance Authority Act may contain a recital to  
24 that effect and any such recital shall be conclusive as against

1 the issuer thereof and any other person as to the validity of  
2 the PACE bonds and as to their compliance with the provisions  
3 of this Act and, as applicable, the provisions of Section  
4 825-65 of the Illinois Finance Authority Act.

5 (50 ILCS 50/50 new)

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

20 (50 ILCS 50/40 rep.)

21 Section 10. The Property Assessed Clean Energy Act is  
22 amended by repealing Section 40.

23 Section 99. Effective date. This Act takes effect upon  
24 becoming law.