



Sen. Melinda Bush

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LRB101 09037 AWJ 60574 a

1 AMENDMENT TO HOUSE BILL 3501

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

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

1 governmental unit pursuant to an assessment contract.

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

6 "Authority" means the Illinois Finance Authority.

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

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

24 "Energy efficiency improvement" means any fixture,
25 product, system, equipment, device, material, or interacting
26 group thereof ~~devices, or materials~~ intended to decrease energy

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

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

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

12 (3) automated energy or water control systems;

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

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

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

19 (7) energy controls or recovery systems;

20 (8) day lighting systems;

21 (8.1) any energy efficiency project, as defined in
22 Section 825-65 of the Illinois Finance Authority Act; and

23 (9) any other fixture, product, system, installation
24 ~~or modification of~~ equipment, device, or material intended
25 ~~devices, or materials approved~~ as a utility or other
26 cost-savings measure as approved by the governmental unit

1 ~~governing body.~~

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

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

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

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

24 "PACE bond" means any bond, note, or other evidence of
25 indebtedness representing an obligation to pay money,
26 including refunding bonds, issued under or in accordance with

1 Section 35.

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

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

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

24 "Property" means any privately-owned commercial,
25 industrial, non-residential agricultural, or multi-family (of
26 5 or more units) real property located within the governmental

1 ~~local unit of government~~, but does not include property owned
2 by a governmental local unit of government or property used for
3 residential purposes and subject to a homeowner's or
4 condominium association or non-condominium common interest
5 community association. Real property located within the
6 governmental unit that is owned or leased by a not-for-profit
7 entity is deemed "commercial" for purposes of this Act.

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

13 "Record owner" means the titleholder or holder of another
14 person who is the titleholder or owner of the beneficial
15 interest in property, including lessees.

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

22 "Renewable energy resource" includes energy and its
23 associated renewable energy credit or renewable energy credits
24 from wind energy, solar thermal energy, geothermal energy,
25 photovoltaic cells and panels, biodiesel, anaerobic digestion,
26 and hydropower that does not involve new construction or

1 significant expansion of hydropower dams. For purposes of this
2 Act, landfill gas produced in the State is considered a
3 renewable energy resource. The term "renewable energy
4 resources" does not include the incineration or burning of any
5 solid material.

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

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

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

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

26 "Water use improvement" means any resiliency improvement,

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

6 (1) water management or efficiency systems;

7 (2) water recycling;

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

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

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

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

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

21 (50 ILCS 50/10)

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

23 (a) Pursuant to the procedures provided in Section 15, a
24 governmental ~~a local unit of government~~ may establish a
25 property assessed clean energy program and, from time to time,

1 create a PACE area or PACE areas under the program.

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

21 (b-5) A governmental local unit ~~of government~~ may sell or
22 assign, for consideration, any and all assessment contracts;
23 the permitted assignee of the assessment contract shall have
24 and possess the delegable same powers and rights at law or in
25 equity as the applicable governmental local unit ~~of government~~
26 ~~and its tax collector~~ would have if the assessment contract had

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

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

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

22 (50 ILCS 50/15)

23 Sec. 15. Program established.

24 (a) To establish a property assessed clean energy program,
25 the governing body ~~of a local unit of government~~ shall adopt a

1 resolution or ordinance that includes all of the following:

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

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

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

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

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

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

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

1 ~~adoption of the proposed program by resolution or~~
2 ~~ordinance;~~

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

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

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

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

18 (50 ILCS 50/20)

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

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

25 (2) identification of one or more officials ~~an official~~

1 authorized to enter into an assessment contract on behalf
2 of the governmental local unit of government;

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

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

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

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

15 (7) a plan to ~~raise capital to~~ finance ~~improvements~~
16 ~~under~~ the program pursuant to the issuance sale of PACE
17 bonds under or in accordance with Section 35; ~~subject to~~
18 ~~this Act or the Special Assessment Supplemental Bond and~~
19 ~~Procedures Act, or alternatively, through the sale of bonds~~
20 ~~by the Authority pursuant to subsection (d) of Section~~
21 ~~825-65 of the Illinois Finance Authority Act;~~

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

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

1 paragraph (7); and

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

9 (9) (blank); ~~a requirement that the term of an~~
10 ~~assessment not exceed the useful life of the energy project~~
11 ~~paid for by the assessment; provided that the local unit of~~
12 ~~government may allow projects that consist of multiple~~
13 ~~improvements with varying lengths of useful life to have a~~
14 ~~term that is no greater than the improvement with the~~
15 ~~longest useful life;~~

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

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

23 (B) the value of the property as determined by an
24 appraisal conducted by a licensed appraiser; or

25 (C) the value of the property calculated using
26 either an automated valuation model provided by an

1 independent third party or broker price opinion;

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

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

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

10 (14) quality assurance and antifraud measures.

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

12 (50 ILCS 50/25)

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

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

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

25 (c) Before entering into an assessment contract with a

1 record owner under a program, the governmental unit or its
2 program administrator or program administrators ~~local unit of~~
3 ~~government~~ shall verify that the applicable property is
4 entirely within the PACE area and receive evidence of all of
5 the following:

6 (1) that the holder of the fee title interest in the
7 property has consented to the record owner entering into an
8 assessment contract pertaining to such property ~~property~~
9 ~~is within the PACE area;~~

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

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

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

19 (5) that no notices of default or other evidence of
20 property-based debt delinquency have been recorded and not
21 cured;

22 (6) that the record owner is current on all mortgage
23 debt on the property, the record owner has not filed for
24 bankruptcy in the last 2 years, and the property is not an
25 asset ~~in~~ to a current bankruptcy proceeding;—

26 (7) that all work requiring a license under any

1 applicable law to acquire, construct, install, or modify an
2 energy project ~~make a qualifying improvement~~ shall be
3 performed by a licensed ~~registered~~ contractor that has
4 agreed to adhere to a set of terms and conditions through a
5 process established by the governmental local unit or its
6 program administrator or program administrators; ~~of~~
7 ~~government.~~

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

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

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

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

1 appraisal conducted by a licensed appraiser; or

2 (C) the value of the property calculated using
3 either an automated valuation model provided by an
4 independent third party or broker price opinion ~~the~~
5 ~~assessed value of the property or the appraised value~~
6 ~~of the property, as determined by a licensed appraiser,~~
7 ~~does not exceed 25%; and~~

8 (10) ~~a requirement~~ that an evaluation assessment of the
9 existing water or energy use and a modeling of expected
10 monetary savings have been conducted for any proposed
11 energy efficiency improvement, renewable energy
12 improvement, or water use improvement, unless the water use
13 improvement is undertaken to improve water quality
14 project.

15 (d) Before ~~At least 30 days before~~ entering into an
16 assessment contract with the governmental local ~~unit of~~
17 ~~government,~~ the record owner shall provide to the mortgage
18 lenders holding ~~holders or loan servicers of~~ any existing
19 mortgages encumbering or otherwise secured by the property a
20 notice of the record owner's intent to enter into an assessment
21 contract with the governmental local ~~unit of government,~~
22 together with the maximum principal amount to be financed or
23 refinanced and the maximum annual assessment necessary to repay
24 that amount, along with an additional ~~a~~ request that the
25 mortgage lenders holding ~~holders or loan servicers of~~ any
26 existing mortgages consent to the record owner subjecting the

1 property to the program. The governmental unit shall be
2 provided with a ~~A verified~~ copy or other proof of those notices
3 and the written consent of the ~~existing~~ mortgage lender holder
4 for the record owner to enter into the assessment contract
5 which acknowledges ~~and acknowledging~~ that (i) the existing
6 mortgage or mortgages for which the consent was received will
7 be subordinate to the ~~financing and~~ assessment contract and the
8 lien created thereby and (ii) the governmental agreement ~~and~~
9 ~~that the local unit of government~~ or its permitted assignee can
10 foreclose the property if the assessments are ~~assessment is~~ not
11 paid ~~shall be provided to the local unit of government.~~

12 (e) (Blank). ~~A provision in any agreement between a local~~
13 ~~unit of government and a public or private power or energy~~
14 ~~provider or other utility provider is not enforceable to limit~~
15 ~~or prohibit any local unit of government from exercising its~~
16 ~~authority under this Section.~~

17 (f) If the ~~The~~ record owner has signed a certification that
18 the governmental ~~local unit of government~~ has complied with the
19 provisions of this Section, then this ~~which~~ shall be conclusive
20 evidence as to compliance with these provisions, but shall not
21 relieve any contractor, or the governmental ~~local~~ unit ~~of~~
22 ~~government,~~ from any potential liability.

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

26 (h) The imposition of any assessment pursuant to this Act

1 shall be exempt from any other statutory procedures or
2 requirements that condition the imposition of assessments or
3 ~~other~~ taxes against a property, except as specifically set
4 forth in this Act.

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

6 (50 ILCS 50/30)

7 Sec. 30. Assessments constitute a lien; billing and
8 collecting.

9 (a) An assessment contract shall be recorded with the
10 county in which the PACE area is located. An assessment imposed
11 under a property assessed clean energy program pursuant to an
12 assessment contract, including any interest on the assessment
13 and any penalty, shall, upon recording of the assessment
14 contract in the county in which the PACE area is located,
15 constitute a lien against the property on which the assessment
16 is imposed until the assessment, including any interest or
17 penalty, is paid in full. The lien of the assessment contract
18 shall run with the property until the assessment is paid in
19 full and a satisfaction or release for the same has been
20 recorded by the governmental unit or its program administrator
21 or program administrators ~~with the local unit of government~~ and
22 shall have the same lien priority and status as other property
23 tax and special assessment liens as provided in the Property
24 Tax Code. The governmental ~~local~~ unit ~~of government~~ (or any
25 permitted assignee) shall have all rights and remedies in the

1 case of default or delinquency in the payment of an assessment
2 as it does with respect to delinquent property taxes and other
3 delinquent special assessments as set forth in Article 9 of the
4 Illinois Municipal Code, including the lien, sale, and
5 foreclosure remedies described in that Article. When the
6 assessment, including any interest and penalty, is paid, the
7 lien shall be removed and released from the property.

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

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

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

3 (1) A county which has established a program may
4 include assessments in the regular property tax bills.
5 Pursuant to the Illinois constitutional or statutory
6 provisions relating to intergovernmental cooperation, the
7 county collector of the county in which a PACE area is
8 located may bill and collect assessments with the regular
9 property tax bills of the county if requested by a
10 municipality within its jurisdiction. If the county
11 collector agrees to bill and collect assessments with the
12 regular property tax bills of the county, then the
13 applicable assessment contract shall be filed with the
14 county collector and the annual amount due as set forth in
15 an assessment contract shall become due in installments at
16 the times property taxes shall become due in accordance
17 with each regular property tax bill payable during the year
18 in which such assessment comes due. If the county collector
19 agrees to bill and collect assessments on behalf of a
20 governmental unit, the county collector may charge a flat
21 dollar fee for such services to be paid from the assessment
22 being billed and the fee is a cost of billing and
23 collecting the assessment provided for in this Act. The
24 flat dollar fee shall be fixed upon recording of the
25 assessment contract, shall be consistent for all
26 assessment contracts in the applicable PACE area, and shall

1 be as agreed to with the applicable governmental unit or
2 its program administrator or program administrators.
3 Commencing on the anniversary date of the recording of the
4 assessment contract, the fee may be increased annually by
5 no more than 3% of the fee paid during the preceding year.

6 (2) If the county collector does not agree to bill and
7 collect assessments with the regular property tax bills of
8 the county or the governmental unit in which the PACE area
9 is located declines to request the county collector to do
10 so, then the governmental unit shall bill and collect the
11 assessments, either directly or as permitted in paragraph
12 (3) of this subsection, and the annual amount due as set
13 forth in an assessment contract shall become due in
14 installments on or about the times property taxes would
15 otherwise become due in accordance with each regular
16 property tax bill payable during the year in which such
17 assessment comes due. Additionally, if the governmental
18 unit is billing and collecting assessments, it may charge a
19 flat dollar fee for such services to be paid from the
20 assessment being billed and the fee is a cost of billing
21 and collecting the assessment provided for in this Act. The
22 flat dollar fee shall be fixed upon recording of the
23 assessment contract, shall be consistent for all
24 assessment contracts in the applicable PACE area, and shall
25 be as agreed to with its applicable program administrator
26 or program administrators, provided that commencing on the

1 anniversary date of the recording of the assessment
2 contract, such fee may be increased annually by no more
3 than 3% of the fee paid during the preceding year.

4 (3) If a governmental unit is billing and collecting
5 assessments pursuant to paragraph (2) of this subsection,
6 assessment installments may be billed and collected by the
7 governmental unit's program administrator or program
8 administrators or another third party.

9 The assessment installments for assessments billed as
10 provided for under any paragraph of this subsection shall be
11 payable at the times and in the manner as set forth in the
12 applicable bill.

13 (c) If a governmental unit, a program administrator, or
14 another third party is billing and collecting assessments
15 pursuant to subsection (b-5), and the applicable assessment
16 becomes delinquent, then the applicable collector shall, on or
17 before the 15th day of August next following the delinquency,
18 make a report in writing to the general office of the county in
19 which the applicable property subject to the assessment is
20 situated and authorized by the general revenue laws of this
21 State to apply for judgment and sell lands for taxes due the
22 county and the State, of the assessments or installments
23 thereof the applicable collector has billed for and not
24 received as required under the applicable bill, including any
25 interest or penalties that may be due as set forth in the
26 applicable assessment contract. This report shall be certified

1 by the applicable collector and shall include statements that
2 (i) the report contains true and correct list of delinquent
3 assessments that the collector has not received as required by
4 the applicable bill and (ii) an itemization of the amount of
5 the delinquent assessment, including interest and penalties,
6 if applicable. The report of the applicable collector, when so
7 made, shall be prima facie evidence that all requirements of
8 the law in relation to making the report have been complied
9 with and that the assessments or the matured installments
10 thereof, and the interest thereon, and the interest accrued on
11 installments not yet matured, mentioned in the report, are due
12 and unpaid. Upon proper filing of the report, the county
13 collector shall enforce the collection of the assessments in
14 the manner provided by law.

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

22 (e) By entering into the assessment contract, the record
23 owner shall be held to have waived every and all objections to
24 the assessment related to its assessment contract.

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

1 (50 ILCS 50/35)

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

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

17 (b) PACE bonds issued under this Act or in accordance with
18 this Act and pursuant to subsection (d) of Section 825-65 of
19 the Illinois Finance Authority Act: Bonds issued under
20 subsection (a) shall

21 (1) are not ~~be~~ general obligations of the governmental
22 ~~local unit of government~~ or the Authority, as applicable,
23 but shall be secured by the following ~~as provided by the~~
24 ~~governing body in the resolution or ordinance approving the~~
25 ~~bonds:~~

1 (A) ~~(1)~~ payments under one or more assessment
2 contracts of assessments on benefited property or
3 properties within the PACE area or PACE areas
4 specified; and

5 (B) if applicable, municipal bond insurance,
6 letters of credit, or public or private guarantees or
7 sureties; and

8 (C) ~~(2)~~ if applicable, revenue sources or reserves
9 established by the governmental ~~local~~ unit ~~of~~
10 government or the Authority from bond proceeds or other
11 lawfully available funds;:-

12 (2) may be secured on a parity basis with PACE bonds of
13 another series or subseries issued by the governmental unit
14 or the Authority pursuant to the terms of a master
15 indenture entered into as authorized by an ordinance or
16 resolution adopted by the governing body or the Authority,
17 as applicable;

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

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

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

25 (6) may be subject to redemption with or without
26 premium upon such terms and provisions as may be provided

1 under the terms of a master indenture entered into as
2 authorized by an ordinance or resolution adopted by the
3 governing body or the Authority, as applicable, including,
4 without limitation, terms as to the order of redemption
5 (numerical, pro rata, by series, subseries, or otherwise)
6 and as to the timing thereof;

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

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

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

25 (d) (Blank). ~~Bonds of one series issued under this Act may~~
26 ~~be secured on a parity with bonds of another series issued by~~

1 ~~the local unit of government or the Authority pursuant to the~~
2 ~~terms of a master indenture or master resolution entered into~~
3 ~~or adopted by the governing body of the local unit of~~
4 ~~government or the Authority.~~

5 (d-5) The State pledges to and agrees with the holders of
6 any PACE bonds issued under this Act or in accordance with the
7 Act and pursuant to Section 825-65 of the Illinois Finance
8 Authority Act that the State will not limit or alter the rights
9 and powers vested in governmental units by this Act or in the
10 Authority in accordance with this Act and pursuant to Section
11 825-65 of the Illinois Finance Authority Act so as to impair
12 the terms of any contract made by a governmental unit or by the
13 Authority with those bondholders or in any way to impair the
14 rights or remedies of those bondholders until the PACE bonds,
15 together with the interest thereon, and all costs and expenses
16 in connection with any actions or proceedings by or on behalf
17 of those bondholders are fully met and discharged.

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

20 (f) PACE bonds ~~Bonds~~ issued under this Act or in accordance
21 with this Act and pursuant to Section 825-65 of the Illinois
22 Finance Authority Act further essential public and
23 governmental purposes, including, but not limited to, reduced
24 energy costs and, reduced greenhouse gas emissions, enhanced
25 water quality and conservation, economic stimulation and
26 development, improved property resiliency and valuation, and

1 increased employment.

2 (g) A capital provider ~~program administrator~~ can assign its
3 rights to purchase PACE ~~the~~ bonds issued by the governmental
4 unit or the Authority to a designated transferee ~~to a third~~
5 ~~party.~~

6 (h) A law firm shall be retained to give a written bond
7 opinion in connection with any PACE bond issued under this Act
8 or in accordance with this Act and pursuant to Section 825-65
9 of the Illinois Finance Authority Act.

10 (i) PACE bonds ~~Bonds~~ issued by the Authority in accordance
11 with ~~under~~ this Act and pursuant to subsection (d) of Section
12 825-65 of the Illinois Finance Authority Act shall not be
13 entitled to the benefits of Section 825-75 of the Illinois
14 Finance Authority Act.

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

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

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

25 (50 ILCS 50/42 new)

1 Sec. 42. Supplemental powers.

2 (a) The provisions of this Act are intended to be
3 supplemental and in addition to all other powers or authorities
4 granted to any governmental unit, shall be construed liberally,
5 and shall not be construed as a limitation of any power or
6 authority otherwise granted.

7 (b) A governmental unit may use the provisions of this Act
8 by referencing this Act in the resolution or ordinance
9 described in Section 15.

10 (50 ILCS 50/45 new)

11 Sec. 45. Recital. PACE bonds that are issued under this Act
12 or in accordance with this Act and pursuant to Section 825-65
13 of the Illinois Finance Authority Act may contain a recital to
14 that effect and any such recital shall be conclusive as against
15 the issuer thereof and any other person as to the validity of
16 the PACE bonds and as to their compliance with the provisions
17 of this Act and, as applicable, the provisions of Section
18 825-65 of the Illinois Finance Authority Act.

19 (50 ILCS 50/50 new)

20 Sec. 50. Validation. All actions taken by the Authority or
21 any governmental unit under this Act prior to the effective
22 date of this amendatory Act of the 101st General Assembly,
23 including, without limitation, creation of a property assessed
24 clean energy program under Section 10 and Section 15,

1 preparation and approval of a report on the proposed program
2 under Section 20, entering into assessment contracts under
3 Section 25, and issuance of bonds, notes, and other evidences
4 of indebtedness under Section 35 shall be unaffected by the
5 enactment of this amendatory Act of the 101st General Assembly
6 and shall continue to be legal, valid, and in full force and
7 effect, notwithstanding any lack of compliance with the
8 requirements of this amendatory Act of the 101st General
9 Assembly.

10 (50 ILCS 50/40 rep.)

11 Section 10. The Property Assessed Clean Energy Act is
12 amended by repealing Section 40.

13 Section 99. Effective date. This Act takes effect upon
14 becoming law."