

Senate Study Bill 1176 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON DANDEKAR)

A BILL FOR

1 An Act relating to the utilization of energy by modifying and
2 expanding the energy city designation program.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 266.39C, Code 2011, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 7. The Iowa energy center shall administer
4 the designation program for energy cities, energy counties, and
5 energy regions established in section 473.41.

6 Sec. 2. Section 469.3, subsection 2, paragraph w, Code 2011,
7 is amended by striking the paragraph.

8 Sec. 3. Section 473.41, Code 2011, is amended to read as
9 follows:

10 ~~473.41 Energy city designation program~~ Designation program —
11 energy cities, counties, and regions.

12 1. ~~The office~~ department of economic development, with the
13 assistance of the Iowa initiative for sustainable communities
14 administered through the school of urban and regional planning
15 at the university of Iowa, shall establish and administer an
16 energy city a designation program for energy cities, energy
17 counties, and energy regions, with the objective of encouraging
18 cities, counties, and collaborations of cities and counties to
19 develop and implement innovative energy efficiency programs.

20 To qualify for designation as an energy city, energy county, or
21 energy region, a city, county, or collaboration of cities and
22 counties shall submit an application on forms prescribed by the
23 ~~office by rule, indicating~~ department providing the following:

24 a. ~~Submission of~~ A community-based energy improvement plan,
25 which incorporates the smart planning principles and guidelines
26 pursuant to sections 18B.1 and 18B.2, plans for energy
27 reduction improvement projects, energy-efficient building
28 construction and rehabilitation, and alternative or renewable
29 energy production.

30 b. ~~Efforts~~ A plan to secure local funding for
31 community-based energy improvement plans, and documentation of
32 any state or federal grant or loan funding being pursued in
33 connection therewith.

34 c. ~~Involvement~~ Documentation of involvement by local
35 schools, civic organizations, chambers of commerce business

1 organizations, and private other groups in a community-based
2 the energy improvement plan.

3 d. Existing A summary of existing or proposed ordinances
4 encouraging or supporting energy efficiency improvement
5 initiatives and conservation, recycling efforts, and
6 energy-efficient building code provisions and enforcement
7 buildings.

8 e. Organization The organization of an energy day observance
9 and proclamation with a commemorating event and awards ceremony
10 for leading energy-efficient community businesses, groups,
11 schools, or individuals.

12 2. The office shall establish by rule criteria for awarding
13 energy city designations. If more than one designation is
14 awarded annually, the criteria shall include a requirement
15 that the office award the designations to cities of varying
16 populations. Rules shall also be established identifying
17 department shall identify and publicizing publicize private,
18 state, and federal grant and loan programs relating to energy
19 efficiency, and the development of a procedure whereby
20 the office shall coordinate with other state agencies
21 preferences given in the awarding of grants or making of loans
22 to energy city designated applicants improvement, energy
23 demand reduction, energy-efficient building construction and
24 rehabilitation, and alternative or renewable energy production.

25 3. The department shall coordinate with energy cities,
26 counties, and regions to facilitate the state's participation
27 in the federal better buildings initiative, including but
28 not limited to promoting and facilitating public and private
29 participation in new tax incentives for building efficiency;
30 financing opportunities for commercial retrofits; federal
31 loan guarantees for energy efficiency upgrades at hospitals,
32 schools, and other commercial buildings; applying for grants
33 to foster the streamlining and updating of state and local
34 government regulations to attract private sector investment in
35 energy improvement projects; and participating in the better

1 buildings challenge included in the initiative.

2 4. The department shall conduct an annual statewide event
3 recognizing and showcasing selected energy cities, energy
4 counties, and energy regions which meet or exceed energy
5 improvement criteria established by the department, and
6 businesses, groups, schools, or individuals nominated for
7 recognition by such cities, counties, or regions.

8 5. For purposes of developing or implementing an energy
9 improvement plan or a plan to secure financing, one or more
10 cities and counties may enter into a chapter 28E agreement
11 through a council of governments to collaborate in the creation
12 of an energy region for purposes of this section and section
13 473.42, 473.43, and 473.44.

14 Sec. 4. NEW SECTION. 473.42 Designation program —
15 ordinance.

16 1. A city council or county board of supervisors may
17 adopt an ordinance or ordinances providing energy improvement
18 plan financing as a component of an energy improvement plan
19 submitted by a city, county, or council of governments. Prior
20 to adoption of an ordinance, the city council or county board
21 of supervisors shall do all of the following:

22 a. Submit the question of adoption of the ordinance to an
23 energy improvement ordinance evaluation committee, which shall
24 include but not be limited to two members who are residents
25 of or operating within the city, county, or energy region
26 representing each of the following categories:

27 (1) Homeowner energy users.

28 (2) Business energy users.

29 (3) Energy utilities.

30 (4) Architectural firms.

31 (5) Firms involved in the construction or installation of
32 energy improvements.

33 (6) Financial institutions.

34 The committee shall be subject to the requirements of
35 sections 69.16 and 69.16A.

1 *b.* Conduct a public hearing at which interested persons may
2 inquire about or object to the proposed ordinance. Notice of
3 the hearing shall be published as provided in section 331.305
4 or 362.3, as applicable.

5 2. The department shall be provided with a copy of any
6 ordinance adopted pursuant to this section.

7 Sec. 5. NEW SECTION. **473.43 Designation program —**
8 **financing.**

9 1. *a.* An energy improvement plan financing ordinance
10 adopted by a city council or county board of supervisors
11 pursuant to section 473.42 may authorize the issuance of
12 bonds by the city or county to assist in the financing of
13 energy improvement projects. Energy improvement projects for
14 publicly owned buildings shall be considered an essential
15 corporate purpose for which a city or county may issue bonds.
16 The ordinance may also provide for the repayment of bonds or
17 other financing through special assessments, provided that
18 any lien involved maintains a junior position with respect to
19 any mortgage or other lien on the property. If not repaid
20 according to another contract or agreement, any unpaid
21 assessments shall remain with the property following the sale
22 of the property.

23 *b.* If the ordinance provides for the repayment of bonds or
24 other financing through special assessments, the department
25 shall establish procedures and requirements regarding the
26 adoption of a resolution of intent, application forms,
27 packaging assessments, petitions by property owners, submission
28 of resolutions for filing, and adoption of a final assessment
29 schedule.

30 *c.* The ordinance may additionally provide for the repayment
31 of financed improvements through billings for energy use under
32 one or more agreements with a city, investor-owned utility,
33 municipal utility, rural electric cooperative, or other energy
34 supplier. Such arrangements shall qualify for incorporation
35 into applicable energy efficiency plan and goal requirements

1 established in section 476.6, subsections 14 and 16. The
2 utilities board of the utilities division of the department of
3 commerce shall by rule adopt procedures for the implementation
4 of this paragraph.

5 2. A city, county, or council of governments may enter into
6 one or more cooperative agreements with financial institutions
7 and other stakeholders for the purpose of financing energy
8 improvement projects and providing for the repayment of such
9 financing.

10 Sec. 6. NEW SECTION. 473.44 Designation program — annual
11 report.

12 Energy cities, counties, and regions shall provide
13 information to the department on an annual basis regarding the
14 results of the program. The department shall make available on
15 its internet site the information so received.

16 EXPLANATION

17 This bill relates to energy efficiency programs undertaken
18 at the city, county, and regional level.

19 The bill modifies and expands the energy city designation
20 program contained in Code section 473.41. The program is
21 transferred for administrative purposes from the office
22 of energy independence to the Iowa department of economic
23 development, with the assistance of the Iowa initiative for
24 sustainable communities administered through the school of
25 urban and regional planning at the university of Iowa, and
26 expanded to include counties and collaborations of cities
27 and counties at the regional level regarding developing and
28 implementing energy efficiency programs.

29 The bill expands application requirements for designation
30 pursuant to the program. Modified requirements include
31 submitting an energy improvement plan incorporating smart
32 planning principles and guidelines established in Code sections
33 18B.1 and 18B.2, and plans for energy improvement projects,
34 energy-efficient building construction and rehabilitation, and
35 alternative or renewable energy production. Requirements shall

1 also include submitting a plan for securing funding for energy
2 improvement plans, documentation of local business, civic,
3 and school involvement, and a summary of existing or proposed
4 ordinances encouraging or supporting energy improvement
5 initiatives and activities.

6 The bill directs the department to identify and publicize
7 private, state, and federal grant and loan programs relating to
8 energy improvement, energy demand reduction, energy-efficient
9 building construction and rehabilitation, and alternative
10 or renewable energy production. The bill also directs the
11 department to coordinate with energy cities, counties, and
12 regions to facilitate the state's participation in the federal
13 better buildings initiative, and to conduct an annual statewide
14 event recognizing and showcasing selected energy cities, energy
15 counties, and energy regions which meet or exceed energy
16 improvement criteria established by the center, and businesses,
17 groups, schools, or individuals nominated for recognition by
18 such cities, counties, or regions.

19 The bill states that for purposes of developing or
20 implementing an energy improvement plan or a plan to secure
21 financing, one or more cities and counties may enter into a
22 Code chapter 28E agreement through a council of governments to
23 collaborate in the creation of an energy region.

24 The bill authorizes a city council or county board of
25 supervisors to adopt an energy improvement plan financing
26 ordinance or ordinances as a component of an energy improvement
27 plan. Prior to adoption of an ordinance, the bill directs
28 the city council or county board of supervisors to submit the
29 question of adoption of the ordinance to an energy improvement
30 ordinance evaluation committee, to be comprised as provided in
31 the bill, and to conduct a public hearing at which interested
32 persons may inquire about or object to the proposed ordinance.

33 The bill provides that an energy improvement plan financing
34 ordinance may authorize the issuance of bonds by the city
35 or county to assist in the financing of energy improvement

1 projects, and for the repayment of bonds or other financing
2 through special assessments, provided that any lien involved
3 maintains a junior position with respect to any mortgage or
4 other lien on the property. The bill states that if not
5 repaid according to another contract or agreement, any unpaid
6 assessments shall remain with the property following sale of
7 the property. The bill states that energy improvement projects
8 for publicly owned buildings shall be considered an essential
9 corporate purpose for which a city or county may issue bonds.
10 The bill states that if an ordinance provides for the repayment
11 of bonds or other financing through special assessments,
12 the department shall establish procedures and requirements
13 regarding the adoption of a resolution of intent, application
14 forms, packaging assessments, petitions by property owners,
15 submission of resolutions for filing, and adoption of a final
16 assessment schedule.

17 The bill provides that an ordinance may additionally
18 provide for the repayment of financed improvements through
19 billings for energy use under one or more agreements with
20 a city, investor-owned utility, municipal utility, rural
21 electric cooperative, or other energy supplier. The bill
22 states that these arrangements shall qualify for incorporation
23 into applicable energy efficiency plan and goal requirements
24 established in Code section 476.6, subsections 14 and 16.

25 The bill additionally provides that a city, county, or
26 council of governments may enter into one or more cooperative
27 agreements with financial institutions and other stakeholders
28 for the purpose of financing energy improvement projects and
29 providing for the repayment of such financing.

30 The bill requires energy cities, counties, and regions
31 to submit information to the department on an annual basis
32 regarding the results of the program, which shall be available
33 on the department's internet site.