



Legislation Details (With Text)

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Title: A substitute ordinance relating to the city's clean energy financing program.
Sponsors: ALD. MURPHY, ALD. LEWIS
Indexes: ENERGY RESOURCES
Attachments: 1. Proposed Substitute A Motion, 2. Hearing Notice List, 3. Motion by Ald Murphy

Date	Ver.	Action By	Action	Result	Tally
3/2/2021	0	COMMON COUNCIL	ASSIGNED TO		
3/15/2021	1	CITY CLERK	DRAFT SUBMITTED		
3/17/2021	2	FINANCE & PERSONNEL COMMITTEE	RECOMMENDED FOR PASSAGE	Pass	5:0
3/17/2021	1	FINANCE & PERSONNEL COMMITTEE	AMENDED	Pass	5:0
3/23/2021	2	COMMON COUNCIL	SUBSTITUTED	Pass	15:0
3/23/2021	3	COMMON COUNCIL	PASSED	Pass	15:0
3/25/2021	3	MAYOR	SIGNED		
4/9/2021	3	CITY CLERK	PUBLISHED		

201490

SUBSTITUTE 3

ALD. MURPHY and LEWIS

A substitute ordinance relating to the city's clean energy financing program.

304-26.5-1 am
304-26.5-2-k rc
304-26.5-2-m rn
304-26.5-2-L cr
304-26.5-2.5 cr
304-26.5-7-a-1 am
304-26.5-3 rc
304-26.5-8 rc
304-26.5-9 rc
304-26.5-12-a am

This ordinance provides the department of administration with the authority to retain a program administrator to act as its agent to administer the city's property-assessed clean energy (PACE) program. The ordinance also gives PACE loan borrowers with loans executed before April 1, 2021, the option of transferring the administration of their loans from the department of administration to the program administrator.

Finally, the ordinance updates code provisions to include brownfield remediation and water service line replacement.

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 304-26.5-1 of the code is amended to read:

1. PURPOSE. The city finds that renovations of privately-owned commercial properties made to improve energy efficiency, save water, use renewable energy, increase property values, stimulate local economic activity, provide environmental benefits >>, remediate brownfield sites, replace outdated water service lines<< and promote the general welfare of city residents. The purpose of this section is to facilitate loans arranged by commercial property owners to make energy efficient renovations by treating principal and interest repayments, fees and other charges for these loans as special charges that shall be eligible for inclusion on the tax bill for these properties or administration by a third party.

Part 2. Section 304-26.5-2-k of the code is repealed and recreated to read:

2. DEFINITIONS.

k. "PACE loan" means a loan made by a PACE lender to a borrower under this section for improvements made to a commercial property pursuant to s. 66.0627, Wis. Stats.

Part 3. Section 304-26.5-2-L of the code is renumbered 304-26.5-2-m.

Part 4. Section 304-26.5-2-L of the code is created to read:

L. "Program administrator" means the person retained by the department of administration as provided in sub. 2.5.

Part 5. Section 304-26.5-2.5 of the code is created to read:

2.5. PROGRAM ADMINISTRATOR. The department of administration may retain a program administrator to act as its agent to administer the PACE program, subject to adherence with PACE program requirements and pursuant to s. 66.0627, Wis. Stats., as amended.

Part 6. Section 304-26.5-3 of the code is repealed and recreated to read:

3. STATE COMPLIANCE. Annual installments shall be considered special charges on the subject property. Annual installments may be levied onto the property tax bill of the subject property as provided in s. 304-26.5-8 or administered by the program administrator, and each year's annual installment ~~[[shall]]~~ >>may<< be levied onto the property tax bill of the subject property pursuant to s. 66.0627, Wis. Stats., as amended.

Part 7. Section 304-26.5-7-a-1 of the code is amended to read:

7. LOAN AGREEMENT.

a.

a-1. Shall inform the participants that the loan amount shall be considered a special charge, and each year's annual installment ~~[[shall]]~~ >>may<< be levied onto the property tax bill of the subject property >>or administered by the program administrator<< as a special charge and be a lien against

the subject property pursuant to s. 66.0627, Wis. Stats., as amended.

Part 8. Section 304-26.5-8 and 9 of the code is repealed and recreated to read:

8. ANNUAL INSTALLMENTS ADDED TO TAX BILLS. a. For a loan agreement executed prior to April 1, 2021, being administered by the department of administration, the department of administration, following the city's customary practices, shall cause each year's annual installment to be levied onto the property tax bill of the subject property as a special charge pursuant to s. 66.0627, Wis. Stats., as amended, and be a lien against the subject property.

b. Following the city's customary practices, the department of administration, at its discretion, shall cause each year's annual installments to be levied onto the property tax bill of the subject property as a special charge pursuant to s. 66.0627, Wis. Stats., as amended, and be a lien against the subject property.

c. Borrowers with PACE loan agreements from before April 1, 2021, shall have the option to transfer the administration of PACE loan agreements from the department of administration to the program administrator.

9. COLLECTION OF SPECIAL CHARGES. a. For any loan agreements executed prior to April 1, 2021, being administered by the department of administration, the department of administration, following the city's customary practices, shall cause each year's annual installments to be levied onto the appropriate property tax bills as special charges. The office of the treasurer shall follow its customary practices to collect special charges under this subsection once placed on the tax rolls, including assessing penalties and charging interest.

b. For any loan agreements executed on or after April 1, 2021, that are not being administered by the department of administration, the program administrator shall be responsible for the collection of annual installments.

c. At the discretion of the department of administration, and following the city's customary practices, the department of administration may cause each year's annual installments to be levied onto the appropriate property tax bills as special charges. The office of the treasurer shall follow its customary practices to collect special charges under this subsection once placed on the tax rolls, including assessing penalties and charging interest.

d. At the request of the program administrator, any outstanding PACE loan balance may be transferred by the department of administration to the property tax bill of the subject property as special charges.

Part 9. Section 304-26.5-12-a of the code is amended to read:

12. PROPERTY FORECLOSURE PROCEDURES.

a. If an owner fails to pay special charges levied on a property under this section, either in full by January 31 >>, in compliance with the terms of the loan agreement outlined in the program manual being administered by the program administrator<< or through a city approved installment plan, the city treasurer, following its customary and ordinary practices, ~~[[shall]]~~ >>may<< begin a property tax foreclosure proceeding on the subject property at the earliest time allowed under state statutes, unless the condition of the property, or for other reasons, the city determines a foreclosure is not in the best interests of the city. The department of administration shall inform the PACE lender eligible to receive special charge payment remittances on this property of the city's determination not to pursue foreclosure within 30 days of the city's determination not to proceed.

APPROVED AS TO FORM

Legislative Reference Bureau

Date: _____

IT IS OUR OPINION THAT THE ORDINANCE
IS LEGAL AND ENFOCEABLE

Office of the City Attorney

Date: _____

LRB 176580-2

Christopher H. Hillard