

**SUBJECT:** Property assessments for energy efficient improvements

**COMMITTEE:** Urban Affairs — favorable, without amendment

**VOTE:** 11 ayes — Y. Davis, C. Howard, Alvarado, Fletcher, Gutierrez, Kent, Mallory Caraway, Miklos, Pierson, C. Turner, Walle

0 nays

**WITNESSES:** For — Laurence Doxsey, City of San Antonio; (*Registered, but did not testify*: Sandra Haverlah, Environmental Defense Fund; David Lancaster, Texas Society of Architects; Robert Nathan, CPS Energy; David Power, Public Citizen; Susan Ross, Texas Renewable Energy Industries Association)

Against — None

**DIGEST:** HB 1937 would allow the governing body of a municipality to designate an area in which municipal officials and property owners could enter into contracts to assess properties for energy-efficient public improvements and to finance the installation of distributed generation renewable energy resources or energy-efficient improvements that would be permanently affixed to real property. Any assessment imposed would be considered a lien against a lot on which it was imposed until the assessment and any related interest or penalty was paid.

The assessments could not be used to finance facilities for undeveloped lots or lots undergoing development at the time of assessment, or for the purchase or installation of appliances not permanently fixed to real property.

To designate an area for assessment, the governing body of a municipality would be required to adopt a resolution indicating intention to do so. The resolution would have to include a description of the boundaries of the area in which contracts for assessments could be entered into and the proposed arrangements for financing the program, information regarding the types of energy efficient improvements or public improvements or distributed generation renewable energy resources that may be financed,

and state the time and place for a public hearing at which interested persons could object to or inquire about the proposal.

The resolution of intent also would be required to direct an appropriate municipal official to consult with the appropriate appraisal district or districts regarding collecting the assessments, and to prepare a report regarding the assessment. The report would have to include:

- a map of the boundaries of the area in which contractual assessments would be offered;
- a draft contract specifying terms;
- a statement of municipal policies regarding the contractual assessments, including:
  - identification of the types of improvements by the assessments;
  - a maximum aggregate dollar amount of the contractual assessments; and
  - a method for ranking property owner financing requests in priority order if the requests were likely to exceed the authorization amount;
- a plan for raising capital required for installation of the improvements, which would have to include a statement of or method for determining the interest rate and period during which contracting property owners would pay any assessment; and
- the results of consultations with appropriate appraisal districts concerning incorporation of the proposed assessments into the existing property tax assessments.

Property owners who wished to enter into an assessment contract would be able to purchase directly installation equipment and materials and contract for the installation of the improvements and renewable energy sources by obtaining the written consent of an authorized municipal official.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2009.