

SENATE, No. 1406

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED FEBRUARY 11, 2010

Sponsored by:

Senator BOB SMITH

District 17 (Middlesex and Somerset)

Senator CHRISTOPHER "KIP" BATEMAN

District 16 (Morris and Somerset)

SYNOPSIS

Establishes “New Jersey Property Assessment Clean Energy (NJ PACE) Municipal Financing Program.”

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning the purchase of solar energy systems,
2 supplementing Title 34 of the Revised Statutes and amending
3 various sections of Title 40 of the Revised Statutes.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. (New section) The New Jersey Economic Development
9 Authority in consultation with the Board of Public Utilities, shall
10 establish the “New Jersey Property Assessment Clean Energy (NJ
11 PACE) Municipal Financing Program” to provide financing for
12 municipalities who wish to facilitate the purchase of solar energy
13 systems by homeowners, or by groups of property owners acting
14 jointly to share the costs and benefits of such improvements.

15
16 2. (New section) a. To implement the program, the New
17 Jersey Economic Development Authority shall establish low-cost
18 sources of financing, such as qualified energy conservation bonds
19 and investment from private capital sources, to provide funding for
20 the purchase of solar energy systems to interested municipalities.

21 b. In addition to the works enumerated in R.S.40:56-1, a
22 municipality may choose to adopt an ordinance to establish a
23 program to facilitate the purchase of solar energy systems by
24 homeowners and apply to the New Jersey Economic Development
25 Authority to receive funds for the purchase of solar energy systems.
26 Funds for the purchase of solar energy systems shall be loaned to
27 homeowners in exchange for a special assessment on the property
28 pursuant to R.S.40:56-1 et seq., to be paid quarterly. Homeowners
29 shall also receive a solar renewable energy credit through the Board
30 of Public Utilities. Both the special assessment payments and the
31 solar renewable energy credits shall be assigned by the municipality
32 and the homeowner to the New Jersey Economic Development
33 Authority, and the proceeds from the assessments and the sale of
34 the solar renewable energy credits shall be used by New Jersey
35 Economic Development Authority to pay bondholders and to
36 provide financial incentives to municipalities to participate in the
37 “Municipal Solar Energy Financing Program.”

38 c. In consultation with the Board of Public Utilities, the New
39 Jersey Economic Development Authority shall appoint an
40 administrator for the “New Jersey Property Assessment Clean
41 Energy (NJ PACE) Municipal Financing Program,” to manage all
42 public bids for sales of solar energy systems; applications from
43 municipalities to participate in the program; assignments of solar
44 renewable energy credits to the authority from participating
45 homeowners; assignments of special assessment payments to the

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 New Jersey Economic Development Authority from municipalities;
2 contracts between vendors, municipalities, and homeowners;
3 promotion of the program through an Internet web site, local media
4 outlets, and materials sent to municipal governing bodies; quality
5 management at each step in the program, and establishment of best
6 practices for municipalities who wish to participate; and any other
7 responsibilities which the authority deems appropriate.

8 d. The New Jersey Economic Development Authority shall
9 coordinate efforts with the Board of Public Utilities to ensure that
10 the amount of financing made available for the program through the
11 authority, and the allocation of those funds among participating
12 municipalities, is in accordance with limits set from time to time by
13 the Board of Public Utilities, and to otherwise ensure that the NJ
14 PACE program furthers the goals of the Office of Clean Energy in
15 the Board of Public Utilities.

16

17 3. (New section) The New Jersey Economic Development
18 Authority shall adopt, pursuant to the "Administrative Procedure
19 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), and in consultation with
20 the Board of Public Utilities, any rules and regulations necessary to
21 effectuate the purposes of P.L. , c. (C.) (pending before the
22 Legislature as this bill).

23

24 4. R.S.40:56-1 is amended to read as follows:

25 40:56-1. A local improvement is one, the cost of which, or a
26 portion thereof, may be assessed upon the lands in the vicinity
27 thereof benefited thereby.

28 Any municipality may undertake any of the following works as a
29 local improvement; and the governing body thereof may make,
30 amend, repeal and enforce ordinances for carrying into effect all
31 powers granted in this section:

32 a. The laying out, opening or establishing of a new street,
33 alley, or other public highway, or portion thereof.

34 b. The widening, straightening, extension, alteration or
35 changing in any manner of the location of a street, alley or other
36 public highway, or portion thereof.

37 c. The grading or alteration of the grade of a street, alley or
38 other public highway, or portion thereof.

39 d. The paving, repaving, or otherwise improving or
40 reimproving a street, alley or other public highway, or portion
41 thereof.

42 e. The curbing or recurbing, guttering or reguttering of a
43 sidewalk in, upon, or along a street, alley or other public highway,
44 or portion thereof.

45 f. The construction, reconstruction, improvement and
46 reimprovement of bridges and viaducts.

- 1 g. The construction, reconstruction, improvement,
2 reimprovement or relocation of a public walk or driveway on any
3 beach, or along the ocean or any river or other waterway.
- 4 h. The improvement or reimprovement of any beach or water
5 front, and the providing of suitable protection to prevent damage to
6 lands or property by the ocean or other waters, including the filing
7 in and grading necessary for the protection of such improvements.
- 8 i. The construction, reconstruction, enlargement or extension
9 of a sewer or drain in, under or along a street, alley or public
10 highway, or portion thereof, or in, under or along any public or
11 private lands; the construction, reconstruction, enlargement or
12 extension of a system of sewerage or drainage or both combined;
13 the construction, reconstruction, enlargement or extension of a
14 system of drainage of the marshes and wet lowlands within the
15 municipality; the construction, reconstruction, enlargement or
16 alteration of a system of works for the sanitary disposal of sewage
17 or drainage.
- 18 j. The installation of service connections to a system of water,
19 gas, light, heat or power works owned by a municipality or
20 otherwise, including all such works as may be necessary for
21 supplying water, gas, light, heat or power to real estate for whose
22 benefit such services are provided; service connections including
23 the laying, construction or placing of mains, conduits or cables in,
24 under or along a street, alley or other public highway or portion
25 thereof.
- 26 k. The construction, reconstruction, enlargement or extension
27 of any water main or other works for the distribution of water
28 supplied by the State or any of its political subdivisions, or any
29 public agency of any of the same.
- 30 l. The installation of such lighting standards, appliances and
31 appurtenances as may be required for the brilliant illumination of
32 the streets in those parts of the municipality where the governing
33 body of the municipality may deem it necessary or proper to
34 establish what is commonly called a "white way."
- 35 m. The widening, deepening or improvement of any stream,
36 creek, river or other waterway.
- 37 n. The removal of obstructions in, and the constructing,
38 reconstructing, enlarging or extending of any waterway, of
39 enclosing walls, or of a pipe or conduit or any brook or
40 watercourse, or part of same.
- 41 o. The defining of the location and the establishment of widths,
42 grades and elevations of any stream, creek, river or other waterway,
43 and the preventing of encroachments upon the same.
- 44 p. The reclaiming, filling and improving and bulkheading and
45 filling in lands lying under tidal or other water, in whole or in part,
46 within the municipality; the reclaiming or filling or bulkheading
47 and filling those lands or lands adjacent to such reclaimed or filled
48 lands; to dredge channels or improve harbor approaches in the

1 waters abounding the lands to be reclaimed, filled and improved, or
2 bulkheaded and filled; provided, the approval of the Planning and
3 Development Council of the Division of Planning and Development
4 in the Department of Conservation and Economic Development of
5 the State of New Jersey, and when necessary, the permission of the
6 Federal authorities in charge of the district port in which the
7 improvements are proposed to be made, to improve and dredge
8 channels and construct and improve the harbor approaches to those
9 lands, shall be first had and obtained.

10 q. The financing of, and contracting for, the installation on
11 private property, or in the case of community renewable energy
12 projects, on public or private property or a combination of both, of
13 renewable energy systems and energy efficiency improvements
14 approved by the Board of Public Utilities, provided that in the case
15 of improvements on a private property, such improvements shall be
16 undertaken solely at the request of the property owner, and that in
17 the case of community renewable energy projects, such
18 improvements shall be undertaken solely at the request or consent
19 of all participating property owners.

20 The governing body may enter into agreements with the Federal
21 Government for reimbursement to the municipality for all or a
22 portion of the cost of dredging channels or improving harbor
23 approaches in waters under the jurisdiction of the Federal
24 Government.

25 If any portion of the amount assessed against the lands within the
26 municipality for the improvement shall be reimbursed to the
27 municipality by the Federal Government after the assessment has
28 been made, then a credit shall be made on each assessment levied in
29 proportion to the amount so received from the Federal Government;
30 provided, the amount received by the municipality from the Federal
31 Government shall be in excess of the amount fixed in the
32 assessment to be borne by the municipality at large. If any portion
33 of the land included within lands benefited or improved by any
34 work done in connection with the reclaiming, filling or bulkheading
35 and filling shall be riparian lands or lands under water, for which
36 the riparian grant has not theretofore been made by the State, the
37 municipal board or body authorized to make assessments for
38 improvements in accordance with this subtitle may include in any
39 such assessment a prospective assessment against the riparian lands
40 or lands under water, and a copy of such prospective assessment
41 shall be filed with the Planning and Development Council of the
42 Division of Planning and Development in the Department of
43 Conservation and Economic Development of the State of New
44 Jersey and shall be a part of the records of that council. Upon the
45 sale or grant by the State of the riparian rights to any such lands for
46 which a prospective assessment has been filed with the council, the
47 amount of such prospective assessment together with interest at the
48 rate of five per centum (5%) per annum from the time of the

1 confirmation of the assessment for the improvement shall be
2 included by said Planning and Development Council in the purchase
3 price fixed for such lands and made a part of the payment for the
4 grant, and the amount of the assessment with interest, when paid,
5 shall be turned over by said Planning and Development Council to
6 the municipality making the assessment. Such prospective
7 assessment shall also be included in the general assessment for and
8 against any such riparian lands or lands under water for which an
9 annual rental or fee is being charged or collected by said Planning
10 and Development Council under any agreement by which the fee of
11 any such riparian lands is passed, and when the fee does so pass by
12 grant from the State the prospective assessment shall become
13 immediately due and payable, together with interest thereon at the
14 rate of five per centum (5%) per annum from the time of the
15 confirmation of the assessment for the improvement and the
16 assessment shall become a lien upon those lands until paid and shall
17 be collectible as other liens for public improvements in the
18 municipality. Should said Planning and Development Council lease
19 for a term of years any such riparian lands or lands under water,
20 included within lands benefited or improved by any work done in
21 connection with the reclaiming, filling or bulkheading and filling, it
22 shall include in the annual rental to be charged therefor one-tenth of
23 the amount of the prospective assessment for each year of the term
24 not exceeding ten years until the prospective assessment and the
25 interest thereon at the rate of five per centum (5%) per annum from
26 the time of confirmation of the assessment for the improvement,
27 shall be paid. If the lease shall be for a period less than ten years,
28 such provision shall be contained in any and all extensions and
29 renewals thereof, or in any new leases until the full prospective
30 assessment with such interest shall have been paid. Nothing
31 contained in this subparagraph shall apply to lands owned by a
32 company whose rates are subject to regulation by the Board of
33 Public Utility Commissioners.

34 Whenever convenient more than one of the works provided for in
35 this section may be carried on as one improvement. Any
36 municipality may undertake any or all of the works mentioned in
37 this section as a general improvement to be paid for by general
38 taxation, and any municipality may provide for the maintenance,
39 repair and operation of any or all of said works by taxation whether
40 the same are undertaken as local or general improvements.
41 (cf: P.L.1951, c.175, s.1)

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43 5. R.S.40:56-3 is amended to read as follows:

44 40:56-3. The governing body of a municipality may undertake
45 any improvement mentioned in this chapter at the request of a
46 number of petitioners who shall agree to pay the cost of the
47 improvement and all expenses incidental thereto, and any other
48 charge imposed by the governing body. The petitioners shall file

1 with the governing body a statement showing the improvement
2 desired, the real estate owned by each of them, and the proportion
3 of cost each is willing to pay. The statement shall be verified by
4 each of the petitioners and, before any such work or improvement is
5 commenced, the petitioners shall enter into bond with sufficient
6 surety to the municipality in double the amount of the cost of the
7 improvement as estimated by the engineer of the municipality
8 conditioned for the prompt payment of the cost of the improvement
9 and all expenses incidental thereto and charges imposed. The
10 governing body may require further security for such payment as it
11 may deem advisable, and when so secured may proceed to make the
12 improvement. Upon the completion thereof the governing body
13 shall determine the cost and expense thereof and cause the same to
14 be collected from the petitioners. Notwithstanding the provisions of
15 this section, in the case of community renewable energy projects
16 pursuant to subsection q. of R.S.40:56-1, the amount of any bond or
17 other security, if any, shall be as provided by regulation of the Board
18 of Public Utilities.

19 Whenever an owner of land in this State is desirous of improving
20 same by the installation of utilities, sidewalks, curbs, street paving
21 and any other improvement and the municipality wherein the land is
22 located desires assurance of completion of such improvement, such
23 municipality is hereby authorized to accept a cash deposit from said
24 owner, conditioned upon the completion of said improvement or
25 improvements to the satisfaction of, and within the time set by the
26 governing body of such municipality. Upon such completion, the
27 municipality shall return said cash deposit to the owner of said land.
28 Upon failure to complete to the satisfaction of the municipality, the
29 municipality may complete said improvement or improvements,
30 using the monies so deposited, or so much thereof as is necessary
31 for such purpose, returning the balance of said deposit, if any, to the
32 owner of such land so improved. Such cash deposit shall be used
33 for no other purpose. The municipality is further authorized to
34 enter into such contracts, stipulations or agreements with said
35 owner as are necessary and proper to carry out the purpose of this
36 act.

37 Nothing in this act contained shall prevent a municipality from
38 accepting bonds or other surety under like circumstances, and
39 nothing herein shall be construed to, in any way, limit the powers of
40 a municipality as they now exist, it being intended that the authority
41 herein granted is supplementary and in addition to rights and
42 powers presently possessed by municipalities.

43 (cf: P.L.1941, c.242, s.1)

44

45 6. R.S.40:56-6 is amended to read as follows:

46 40:56-6. Whenever the governing body shall pass an ordinance
47 for making any local improvement all further acts and proceedings
48 necessary to carry out and complete the same and the work thereof

1 and all orders relating thereto may be by resolution. To authorize
2 local improvements pursuant to subsection q. of R.S.40:56-1, a
3 governing body shall adopt a single ordinance authorizing the
4 financing of, and contracting for, such improvements by the
5 municipality. Subsequent specific authorizations of such
6 improvements on individual properties or, in the case of community
7 renewable energy projects, on or benefiting groups of properties, and
8 all further acts and proceedings necessary to carry out and complete
9 the same and the work thereof and all orders relating thereto may be
10 by resolution. Each such improvement on an individual property, and
11 each separate community renewable energy project, shall be deemed to
12 constitute a separate local improvement, and shall be assessed
13 separately to the property owner or, in the case of community
14 renewable energy projects, jointly to the property owners benefited
15 thereby.

16 (cf: R.S.40:56-6)

17

18 7. R.S.40:56-7 is amended to read as follows:

19 40:56-7. Any municipality may purchase, condemn, or
20 otherwise acquire any real estate or right or interest therein, useful
21 or necessary for the making of such improvement, located within or
22 without the municipality, and any personal property, useful or
23 necessary therefor, may hire and employ all such engineers,
24 surveyors, officers and employees; construct or cause to be
25 constructed any work or thing deemed necessary for the making of
26 any such improvement; enter into any contract or agreement for the
27 acquisition of any such property or the construction of any such
28 work, and do all other acts necessary to carry on, complete,
29 maintain and operate any such improvement. Nothing contained
30 herein shall be interpreted to authorize any municipality to condemn
31 or otherwise acquire by means of eminent domain any real estate or
32 right or interest therein with respect to an improvement pursuant to
33 subsection q. of R.S.40:56-1.

34 (cf: R.S.40:56-7)

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36 8. R.S.40:56-8 is amended to read as follows:

37 Any municipality may acquire by purchase or condemnation any
38 property or works mentioned in this article and in sections 1 through
39 3 of P.L. , c. (C.) (pending before the Legislature as this bill)
40 which at the time of such purchase or condemnation is privately
41 owned or operated, and assessments for benefits accruing therefrom
42 may be made and levied upon the lands benefited thereby.

43 (cf: R.S.40:56-8)

44

45 9. R.S.40:56-11 is amended to read as follows:

46 R.S.40:56-11. All work or any portion thereof in connection
47 with any local or general improvement, including any work done
48 pursuant to sections 1 through 3 of P.L. , c. (C.) (pending

1 before the Legislature as this bill) and subsection q. of R.S.40:56-1,
2 may be done either by the municipality or by contract awarded to
3 the lowest responsible bidder. Advertisements for bids for the
4 doing of any such work shall be published and the bids shall be
5 received and the contract awarded in each municipality in
6 accordance with the provisions of chapter 50 of this title (s. 40:50-
7 1 et seq.). Notwithstanding any section of law to the contrary,
8 awards of contracts for improvements described in sections 1
9 through 3 of P.L. , c. (C.) (pending before the Legislature as
10 this bill) and subsection q. of R.S.40:56-1 shall be made in
11 accordance with such bidding or other requisition process as shall
12 be established by regulation of the Board of Public Utilities.
13 (cf: R.S.40:56-11)

14

15 10. R.S.40:56-21 is amended to read as follows:

16 R.S.40:56-21. All assessments for benefits for local
17 improvements under this chapter shall be made by the officer or
18 board charged with the duty of making general assessments of taxes
19 in the municipality, except where there is provided by law a board
20 for the making of all such assessments, in which case all
21 assessments shall be made by such board.

22 The governing body of every municipality in which no board is
23 provided by law for the making of all assessments for benefits
24 accruing from local improvements may by ordinance create a
25 general board for that purpose, which board shall thereafter make
26 all such assessments. Notwithstanding this provision, all
27 assessments for benefits accruing from local improvements pursuant to
28 subsection q. of R.S.40:56-1 shall be made by the governing body, or
29 by such other board as the governing body shall designate in the
30 ordinance authorizing such improvements.

31 (cf: R.S.40:56-21)

32

33 11. R.S.40:56-30 is amended to read as follows:

34 R.S.40:56-30. Except as provided in article 4 of this chapter (s.
35 40:56-58 et seq.) as to cities of the first class, assessments for
36 benefits for local improvement together with any accompanying
37 awards for incidental damages and all awards of damages for real
38 estate or interests therein taken for any improvement, shall, except
39 as provided in sections 40:56-42 to 40:56-51 of this title, be
40 certified by the officer, board or commissioners making the same to
41 the governing body of the municipality by a report in writing signed
42 by the officer, or a majority of the board or commissioners making
43 the said assessment or award for damages or incidental damages.
44 The report shall be accompanied by a map showing the real estate
45 taken, damaged or benefited by the improvement and for which
46 damages or benefits have been assessed; provided that no map shall
47 be required with respect to improvements to individual properties
48 pursuant to subsection q. of R.S.40:56-1.

1 The report may be considered by the governing body at any
2 meeting thereof, of which at least two weeks' previous notice shall
3 have been given by the municipal clerk, or by an officer designated
4 as aforesaid by the governing body, posted in five public places in
5 the municipality, or published in a newspaper circulating therein,
6 once in each week for two weeks prior to the meeting, as the
7 governing body may direct, and also by mailing a copy of the notice
8 to the owner or owners named in the report, directed to his or their
9 last known post-office addresses, and the affidavit of said clerk or
10 other designated official shall be conclusive as to such mailing.
11 Notwithstanding this provision, notice with respect to improvements
12 pursuant to subsection q. of R.S.40:56-1 shall be made at least 10 days
13 before the meeting by posting notice of the meeting on the section of
14 the municipality's official website that concerns improvements
15 pursuant to subsection q. of R.S.40:56-1, and by mailing the notice by
16 first-class mail to the post office address specified by the property
17 owner for the receipt of notices and other communications relating to
18 the improvement. The notice shall briefly state the object of the
19 meeting with reference to the assessment. At that or any
20 subsequent meeting the governing body after considering the report
21 and map may adopt and confirm the same with or without
22 alterations, as to them may seem proper, and may refer the matter to
23 any committee of its own body, or to the officer or board making
24 such assessment, for revision or correction before taking final
25 action upon it.

26 When the report shall be adopted and confirmed with or without
27 alterations it shall be final and conclusive and appeals may be taken
28 as hereinafter provided in article 3 of this chapter (s. 40:56-54 et
29 seq.).

30 Failure to mail the notice in this section required shall not
31 invalidate the proceedings.
32 (cf: R.S.40:56-30)

33

34 12. R.S.40:56-35 is amended to read as follows:

35 40:56-35. The governing body may by resolution provide that
36 the owner of any real estate upon which any assessments for any
37 improvement shall have been made may pay such assessments in
38 such equal yearly or quarterly installments, not exceeding ten years
39 in duration, except as hereinafter provided, with legal interest
40 thereon, and at such time in each year as the governing body shall
41 determine, but any person assessed may pay the whole of any
42 assessment, or any balance of installments, with accrued interest
43 thereon, at one time. If any such installment shall remain unpaid
44 for 30 days after the time when the same shall have become due,
45 either:

46 a. the whole assessment or balance due thereon shall become
47 and be immediately due, shall draw interest at the rate imposed
48 upon the arrearage of taxes in such municipality and be collected in

1 the same manner as is provided by this subtitle for other past due
2 assessments; or

3 b. the governing body may, by resolution, permit any person
4 who is delinquent in the payment of such an installment to pay only
5 the amount of the delinquent payment and any interest on the
6 delinquent payment that has accrued from the date that the
7 installment was due and payable until the date that payment of the
8 delinquent installment is made. After the delinquent installment is
9 satisfied, the person assessed shall be reinstated on a regular
10 installment payment schedule.

11 Whenever any owner shall be given the privilege of paying any
12 assessment in installments such assessment shall remain a lien upon
13 the land described therein until the same with all installments and
14 accrued interest thereon shall be paid, and no proceedings to collect
15 or enforce the same need be taken until default shall be made in the
16 payment of any installment as hereinbefore in this subtitle provided.

17 In any municipality which is constructing a local improvement
18 with funds secured from the Federal Government, through the
19 public works administration, under the terms of the national
20 recovery act, the governing body may provide that the assessments
21 may be payable in yearly or quarterly installments, with legal
22 interest thereon, over a period of years up to but in no event
23 exceeding the term of years for which the funds therefor are
24 borrowed from the Federal Government, and at such time in each
25 year as the governing body shall determine. The governing body
26 may fix the yearly installments in such amounts as in its opinion are
27 equitable and just.

28 In any municipality in which the local improvement is being
29 financed by the sale of bonds, the governing body may provide that
30 the assessments may be payable in yearly or quarterly installments,
31 with legal interest thereon, over a period of years up to but in no
32 event exceeding the period of years for which the bonds were
33 issued, or for 20 years, whichever shall be less, and at such time in
34 each year as the governing body shall determine. The governing
35 body may fix the yearly installments in such amounts as in its
36 opinion are equitable and just.

37 Notwithstanding this provision, in the case of improvements made
38 pursuant to subsection q. of R.S.40:56-1, the assessment shall be
39 payable in quarterly installments. The term of the assessment and the
40 interest to be charged thereon shall be in accordance with the terms of
41 the financing provided to the municipality by the New Jersey
42 Economic Development Authority or as otherwise may be provided by
43 regulation of the Board of Public Utilities.

44 (cf: P.L.1997, c.5, s.1)

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46 13. This act shall take effect immediately.

STATEMENT

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This bill establishes the “New Jersey Property Assessment Clean Energy (NJ PACE) Municipal Financing Program” in the New Jersey Economic Development Authority (NJEDA) and the New Jersey Board of Public Utilities (BPU). This program is intended to provide financing for municipalities that wish to facilitate the purchase of renewable energy systems or energy efficiency improvements by individual property owners or by groups of property owners who wish to participate jointly in a community renewable energy project.

To implement the program, the New Jersey Economic Development Authority would establish low-cost sources of financing, such as qualified energy conservation bonds and investment from public utilities and private capital sources, to finance the purchase of renewable energy systems and energy efficiency improvements by property owners in participating municipalities.

Municipalities that choose to establish a program to utilize the special-assessment financing mechanism afforded by R.S.40:56-1 et seq. to facilitate the purchase of renewable energy systems and energy efficiency improvements by its property owners would apply to the BPU to participate in the program. Participating municipalities would be eligible to borrow funds from the NJEDA for use in financing the purchase and installation, by its property owners, of renewable energy systems and energy efficiency improvements. The loan for the purchase of the renewable energy systems and energy efficiency improvements energy systems would be secured by a special assessment on the improved property in the case of an individual project. In the case of community renewable energy projects, the loaned funds would be secured by a special assessment on all properties benefited by the improvement, in proportion to the benefit they receive. Payment on the loaned funds would be collected quarterly by the municipality, with interest at a rate determined by the BPU and the NJEDA. In the case of improvements that include solar energy systems, property owners would also receive a solar renewable energy credit through the BPU. Those solar renewable energy credits would be assigned by the property owner to the municipality in repayment of a portion of the funds borrowed from the municipality. The municipality, in turn, would assign the solar renewable energy credits and the proceeds from the payments of the special assessments to the NJEDA. Proceeds from the sale of the solar renewable energy credits and the special assessment payments received from the municipalities would be used by NJEDA to pay bondholders and other utility or private investors, and may be used to provide financial incentives to municipalities to participate in the “New

1 Jersey Property Assessment Clean Energy (NJ PACE) Municipal
2 Financing Program.”

3 Finally, the bill requires the BPU to appoint a manager to
4 manage all of the logistics of the “NJ PACE Municipal Financing
5 Program.” The NJEDA and BPU would coordinate to promulgate
6 any rules and regulations necessary to effectuate the purposes of the
7 program.