

REFERENCE TITLE: water; energy; financing program.

State of Arizona  
Senate  
Fifty-sixth Legislature  
First Regular Session  
2023

# **SB 1651**

Introduced by  
Senator Borrelli

## **AN ACT**

AMENDING TITLE 9, CHAPTER 4, ARTICLE 8, ARIZONA REVISED STATUTES, BY ADDING SECTION 9-499.19; AMENDING SECTION 11-201, ARIZONA REVISED STATUTES; AMENDING TITLE 49, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 12; RELATING TO CAPITAL IMPROVEMENTS FOR WATER AND ENERGY CONSERVATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 9, chapter 4, article 8, Arizona Revised Statutes,  
3 is amended by adding section 9-499.19, to read:

4 9-499.19. Authority to establish c-pace program; definitions

5 A. A CITY OR TOWN MAY PROVIDE FOR OR ALLOW THE CONSTRUCTION,  
6 INSTALLATION OR MODIFICATION OF CRITICAL CAPITAL EXPENDITURE IMPROVEMENTS,  
7 ENERGY EFFICIENCY IMPROVEMENTS, RENEWABLE ENERGY IMPROVEMENTS OR  
8 RESILIENCY IMPROVEMENTS ON QUALIFYING PROPERTY BY ESTABLISHING A C-PACE  
9 PROGRAM PURSUANT TO TITLE 49, CHAPTER 12.

10 B. THIS SECTION DOES NOT ALLOW A CITY OR TOWN TO ENTER INTO A  
11 FINANCING AGREEMENT FOR THE DIRECT FINANCING OF A QUALIFYING IMPROVEMENT.

12 C. FOR THE PURPOSES OF THIS SECTION, "C-PACE PROGRAM", "CRITICAL  
13 CAPITAL EXPENDITURE IMPROVEMENT", "ENERGY EFFICIENCY IMPROVEMENT",  
14 "FINANCING AGREEMENT", "QUALIFYING IMPROVEMENT", "QUALIFYING PROPERTY",  
15 "RENEWABLE ENERGY IMPROVEMENT" AND "RESILIENCY IMPROVEMENT" HAVE THE SAME  
16 MEANINGS PRESCRIBED IN SECTION 49-1601.

17 Sec. 2. Section 11-201, Arizona Revised Statutes, is amended to  
18 read:

19 11-201. Powers of county

20 A. The powers of a county shall be exercised only by the board of  
21 supervisors or by agents and officers acting under its authority and  
22 authority of law. It has the power to:

- 23 1. Sue and be sued.
- 24 2. Purchase and hold lands within its limits.
- 25 3. Make such contracts and purchase and hold such personal property  
26 as may be necessary to the exercise of its powers.
- 27 4. Make such orders for the disposition or use of its property as  
28 the interests of the inhabitants of the county require.
- 29 5. Levy and collect taxes for purposes under its exclusive  
30 jurisdiction as are authorized by law.
- 31 6. Determine the budgets of all elected and appointed county  
32 officers enumerated under section 11-401 by action of the board of  
33 supervisors.

34 7. PROVIDE FOR OR ALLOW THE CONSTRUCTION, INSTALLATION OR  
35 MODIFICATION OF CRITICAL CAPITAL EXPENDITURE IMPROVEMENTS, ENERGY  
36 EFFICIENCY IMPROVEMENTS, RENEWABLE ENERGY IMPROVEMENTS OR RESILIENCY  
37 IMPROVEMENTS ON QUALIFYING PROPERTY BY ESTABLISHING A C-PACE PROGRAM  
38 PURSUANT TO TITLE 49, CHAPTER 12. THIS PARAGRAPH DOES NOT ALLOW A COUNTY  
39 TO ENTER INTO A FINANCING AGREEMENT FOR THE DIRECT FINANCING OF A  
40 QUALIFYING IMPROVEMENT. FOR THE PURPOSES OF THIS PARAGRAPH, "C-PACE  
41 PROGRAM", "CRITICAL CAPITAL EXPENDITURE IMPROVEMENT", "ENERGY EFFICIENCY  
42 IMPROVEMENT", "FINANCING AGREEMENT", "QUALIFYING IMPROVEMENT", "QUALIFYING  
43 PROPERTY", "RENEWABLE ENERGY IMPROVEMENT" AND "RESILIENCY IMPROVEMENT"  
44 HAVE THE SAME MEANINGS PRESCRIBED IN SECTION 49-1601.

1 B. Except for the purposes of acting as an intermediary in a  
2 license transfer or sale, a county shall not own a commercial cable  
3 television system or any other pay television system.

4 C. Section 11-251.05, subsection A, paragraph 1 does not authorize  
5 a county to levy and collect taxes for any purposes beyond those otherwise  
6 specifically authorized by statute.

7 Sec. 3. Title 49, Arizona Revised Statutes, is amended by adding  
8 chapter 12, to read:

9 CHAPTER 12

10 COMMERCIAL PROPERTY ASSESSED CAPITAL EXPENDITURE FINANCING PROGRAM

11 ARTICLE 1. GENERAL PROVISIONS

12 49-1601. Definitions

13 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

14 1. "AUTHORIZING COUNTY" MEANS A COUNTY THAT FORMS A C-PACE PROGRAM  
15 PURSUANT TO THIS CHAPTER.

16 2. "AUTHORIZING MUNICIPALITY" MEANS A CITY OR TOWN THAT FORMS A  
17 C-PACE PROGRAM PURSUANT TO THIS CHAPTER.

18 3. "CAPITAL PROVIDER" MEANS A PRIVATE ENTITY, OR ITS DESIGNEE,  
19 SUCCESSOR OR ASSIGN, THAT FINANCES OR REFINANCES A QUALIFYING IMPROVEMENT  
20 PURSUANT TO THIS CHAPTER.

21 4. "CRITICAL CAPITAL EXPENDITURE IMPROVEMENT":

22 (a) MEANS AN IMPROVEMENT TO AN EXISTING STRUCTURE OR A COMPONENT OF  
23 NEW CONSTRUCTION THAT PROVIDES OR CONTRIBUTES TO THE STRUCTURAL AND  
24 MECHANICAL SUPPORT OR FUNCTION OF THE STRUCTURE OR THAT INCREASES UTILITY  
25 USE EFFICIENCY TO A STRUCTURE AND THAT HAS A WEIGHTED AVERAGE USEFUL LIFE  
26 OF TEN YEARS OR MORE.

27 (b) INCLUDES WATER CONSERVATION IMPROVEMENTS, ENERGY EFFICIENCY  
28 IMPROVEMENTS, RENEWABLE ENERGY IMPROVEMENTS AND RESILIENCY IMPROVEMENTS.

29 5. "C-PACE PROGRAM" OR "PROGRAM" MEANS A SPECIAL ASSESSMENT PROGRAM  
30 THAT PROVIDES COMMERCIAL PROPERTY ASSESSED CAPITAL EXPENDITURE FINANCING  
31 FOR ELIGIBLE IMPROVEMENTS AND THAT IS ESTABLISHED PURSUANT TO THIS  
32 CHAPTER.

33 6. "ENERGY EFFICIENCY IMPROVEMENT" MEANS A DEVICE INTENDED TO  
34 DECREASE ENERGY CONSUMPTION OR DEMAND THROUGH THE USE OF EFFICIENCY  
35 TECHNOLOGIES, PRODUCTS OR ACTIVITIES THAT REDUCE OR SUPPORT THE REDUCTION  
36 OF ENERGY CONSUMPTION.

37 7. "FINANCING AGREEMENT" MEANS AN AGREEMENT UNDER WHICH A PRIVATE  
38 PROPERTY OWNER AGREES TO REPAY A CAPITAL PROVIDER FOR THE SPECIAL  
39 ASSESSMENT FINANCING, INCLUDING DETAILS OF FINANCE CHARGES, FEES, DEBT  
40 SERVICING, ACCRUAL OF INTEREST AND PENALTIES AND TERMS RELATING TO  
41 TREATMENT OF PREPAYMENT AND PARTIAL PAYMENT OF THE SPECIAL ASSESSMENT  
42 FINANCING.

43 8. "GOVERNING BODY" MEANS THE BODY OR BOARD THAT BY LAW IS  
44 CONSTITUTED AS THE LEGISLATIVE DEPARTMENT OF THE AUTHORIZING COUNTY OR  
45 AUTHORIZING MUNICIPALITY.

1           9. "LOCAL GOVERNMENT" MEANS AN AUTHORIZING COUNTY OR AUTHORIZING  
2 MUNICIPALITY.

3           10. "LOCAL PROGRAM AUTHORITY" MEANS AN OFFICIAL, OTHER THAN THE  
4 COUNTY TREASURER, OR AGENCY DESIGNATED BY A LOCAL GOVERNMENT TO PERFORM  
5 CERTAIN OBLIGATIONS RELATED TO ENTERING INTO SPECIAL ASSESSMENT  
6 AGREEMENTS, IMPOSING SPECIAL ASSESSMENTS AND ENFORCING AND COLLECTING  
7 SPECIAL ASSESSMENTS UNDER THIS CHAPTER.

8           11. "NOTICE OF ASSIGNMENT OF SPECIAL ASSESSMENT LIEN" MEANS A  
9 WRITTEN NOTICE IN THE FORM PRESCRIBED BY THE LOCAL GOVERNMENT TO BE  
10 RECORDED WITH THE ASSIGNMENT OF A SPECIAL ASSESSMENT BY A LOCAL GOVERNMENT  
11 TO THE APPLICABLE CAPITAL PROVIDER AND EACH SUBSEQUENT ASSIGNMENT OF THE  
12 SPECIAL ASSESSMENT.

13           12. "NOTICE OF DELEGATION OF AUTHORITY" MEANS A WRITTEN NOTICE  
14 EXECUTED BY A LOCAL GOVERNMENT THAT ASSIGNS THE BILLING, COLLECTION AND  
15 ENFORCEMENT DUTIES TO A CAPITAL PROVIDER.

16           13. "NOTICE OF SPECIAL ASSESSMENT LIEN" MEANS A WRITTEN NOTICE OF A  
17 SPECIAL ASSESSMENT LIEN IN THE FORM PRESCRIBED BY THE LOCAL GOVERNMENT TO  
18 BE RECORDED WITH A SPECIAL ASSESSMENT AGREEMENT AND ATTENDANT LIEN ON A  
19 BENEFITED PROPERTY.

20           14. "PROGRAM ADMINISTRATOR" MEANS AN OFFICIAL, AGENCY OR PRIVATE  
21 THIRD PARTY DESIGNATED BY A LOCAL GOVERNMENT TO ADMINISTER A C-PACE  
22 PROGRAM ESTABLISHED UNDER THIS CHAPTER.

23           15. "PROGRAM GUIDEBOOK" MEANS A COMPREHENSIVE DOCUMENT ADOPTED BY A  
24 LOCAL GOVERNMENT THAT ESTABLISHES APPROPRIATE GUIDELINES, SPECIFICATIONS,  
25 APPROVAL CRITERIA AND OTHER STANDARD FORMS CONSISTENT WITH ADMINISTERING A  
26 C-PACE PROGRAM AND NOT DETAILED IN THIS CHAPTER, INCLUDING FORMS FOR A  
27 SPECIAL ASSESSMENT AGREEMENT, NOTICE OF ASSIGNMENT OF SPECIAL ASSESSMENT  
28 LIEN, NOTICE OF SPECIAL ASSESSMENT LIEN, NOTICE OF DELEGATION OF AUTHORITY  
29 AND PROJECT APPLICATION.

30           16. "PROJECT APPLICATION" MEANS AN APPLICATION SUBMITTED TO A  
31 PROGRAM ADMINISTRATOR TO DEMONSTRATE THAT THE PROPOSED IMPROVEMENTS  
32 QUALIFY FOR SPECIAL ASSESSMENT FINANCING PURSUANT TO A C-PACE PROGRAM.

33           17. "PROPERTY OWNER" MEANS THE OWNER LISTED ON A QUALIFYING  
34 PROPERTY'S LEGAL DOCUMENTS ON FILE IN THE COUNTY RECORDER'S OFFICE, THE  
35 OWNER OF AN IMPROVEMENT ON A POSSESSORY RIGHT OR THE OWNER OF AN ESTATE  
36 FOR YEARS OR LEASEHOLD CREATED PURSUANT TO A WRITTEN GROUND LEASE  
37 AGREEMENT OR GOVERNMENT PROPERTY LEASE EXCISE TAX DEVELOPMENT AGREEMENT.

38           18. "QUALIFYING IMPROVEMENT" MEANS A PERMANENT AFFIXED CRITICAL  
39 CAPITAL EXPENDITURE IMPROVEMENT INSTALLED ON QUALIFYING PROPERTY AS PART  
40 OF THE CONSTRUCTION OR RENOVATION OF THE QUALIFYING PROPERTY.

41           19. "QUALIFYING PROPERTY" MEANS EITHER OF THE FOLLOWING:

42           (a) PRIVATELY OWNED COMMERCIAL, INDUSTRIAL OR AGRICULTURAL REAL  
43 PROPERTY OR MULTIFAMILY RESIDENTIAL REAL PROPERTY WITH FIVE OR MORE  
44 DWELLING UNITS, AN IMPROVEMENT ON A POSSESSORY RIGHT OR PROPERTY OWNED BY

1 A NONPROFIT OR TAX-EXEMPT ENTITY OTHER THAN A RESIDENTIAL PROPERTY WITH  
2 NOT MORE THAN FOUR DWELLINGS.

3 (b) REAL PROPERTY OWNED BY THIS STATE OR A LOCAL GOVERNMENTAL  
4 ENTITY BUT LEASED TO A PRIVATELY OWNED ENTITY OR REAL PROPERTY  
5 IMPROVEMENTS OWNED BY A PRIVATE PARTY PURSUANT TO A WRITTEN GROUND LEASE  
6 AGREEMENT, GOVERNMENT PROPERTY LEASE EXCISE TAX DEVELOPMENT AGREEMENT OR  
7 SIMILAR AGREEMENT WHOSE OWNER OF RECORD, INCLUDING THIS STATE OR ANY LOCAL  
8 GOVERNMENT IN ADDITION TO A PRIVATE ENTITY, CONSENTS IN WRITING TO A  
9 SPECIAL ASSESSMENT BEING LEVIED ON THE REAL PROPERTY PURSUANT TO THIS  
10 CHAPTER.

11 20. "REGION" MEANS THE GEOGRAPHIC AREA WITHIN THE CORPORATE LIMITS  
12 OF A MUNICIPALITY, THE UNINCORPORATED AREA OF A COUNTY AND THE  
13 INCORPORATED AREAS OF A COUNTY WITH THE CONSENT OF AFFECTED MUNICIPALITIES  
14 IN WHICH THE COUNTY SEEKS TO IMPOSE A SPECIAL ASSESSMENT PURSUANT TO THIS  
15 CHAPTER.

16 21. "RENEWABLE ENERGY IMPROVEMENT" MEANS A DEVICE OR A GROUP OF  
17 PRODUCTS OR DEVICES THAT USE LOW OR ZERO CARBON EMISSIONS ENERGY  
18 TECHNOLOGY TO GENERATE ELECTRICITY, PROVIDE THERMAL ENERGY OR REGULATE  
19 TEMPERATURE.

20 22. "RESILIENCY IMPROVEMENT" MEANS IMPROVEMENTS OR BUILDING  
21 COMPONENTS THAT INCREASE THE RESILIENCE OF A QUALIFYING PROPERTY,  
22 INCLUDING AIR QUALITY, FLOOD MITIGATION, WIND AND STORM MITIGATION,  
23 STORMWATER MANAGEMENT, ENERGY STORAGE AND MICROGRIDS, ALTERNATIVE VEHICLE  
24 CHARGING INFRASTRUCTURE, FIRE OR WIND RESISTANCE OR INUNDATION ADAPTATION.

25 23. "SPECIAL ASSESSMENT" MEANS A VOLUNTARY ASSESSMENT IMPOSED ON A  
26 QUALIFYING PROPERTY BY A LOCAL GOVERNMENT PURSUANT TO THIS ARTICLE FOR THE  
27 TOTAL AMOUNT OF SPECIAL ASSESSMENT FINANCING PURSUANT TO A SPECIAL  
28 ASSESSMENT AGREEMENT.

29 24. "SPECIAL ASSESSMENT AGREEMENT" MEANS A WRITTEN AGREEMENT  
30 BETWEEN THE APPLICABLE LOCAL GOVERNMENT AND THE PROPERTY OWNER IN THE FORM  
31 PRESCRIBED BY THE LOCAL GOVERNMENT SETTING FORTH THE TERMS AND CONDITIONS  
32 OF THE SPECIAL ASSESSMENT AND ALLOWING THE LOCAL GOVERNMENT TO IMPOSE A  
33 SPECIAL ASSESSMENT ON THE QUALIFYING PROPERTY TO REPAY THE SPECIAL  
34 ASSESSMENT FINANCING.

35 25. "SPECIAL ASSESSMENT FINANCING" MEANS FINANCING AND REFINANCING  
36 PROVIDED BY A CAPITAL PROVIDER PURSUANT TO A FINANCING AGREEMENT FOR  
37 QUALIFYING IMPROVEMENTS PURSUANT TO THIS ARTICLE.

38 26. "SPECIAL ASSESSMENT LIEN" MEANS A LIEN TO SECURE THE SPECIAL  
39 ASSESSMENT THAT REMAINS ON THE QUALIFYING PROPERTY UNTIL PAID IN FULL.

40 27. "WATER CONSERVATION IMPROVEMENT" MEANS MEASURES, EQUIPMENT OR  
41 DEVICES THAT:

42 (a) DECREASE THE CONSUMPTION OF OR DEMAND FOR WATER.

43 (b) RECYCLE, RECAPTURE OR STORE WATER.

44 (c) ADDRESS SAFE DRINKING WATER OR ELIMINATE LEAD FROM WATER USED  
45 FOR DRINKING OR COOKING.

1           49-1602. C-pace program: establishment

2           A. TO ESTABLISH A C-PACE PROGRAM, A GOVERNING BODY MUST ADOPT A  
3 RESOLUTION OR ORDINANCE TO ESTABLISH THE PROGRAM.

4           B. BEFORE ADOPTING A RESOLUTION OR ORDINANCE TO ESTABLISH A  
5 PROGRAM, A GOVERNING BODY SHALL HOLD A PUBLIC HEARING TO CONSIDER  
6 ESTABLISHING THE PROGRAM.

7           C. THE RESOLUTION OR ORDINANCE TO ESTABLISH THE PROGRAM SHALL  
8 INCLUDE:

9           1. A STATEMENT THAT THE FINANCING OF QUALIFYING IMPROVEMENTS,  
10 REPAID BY SPECIAL ASSESSMENTS, IS IN THE INTEREST OF THE PUBLIC HEALTH,  
11 SAFETY AND WELFARE.

12           2. A STATEMENT THAT THE LOCAL GOVERNMENT INTENDS TO AUTHORIZE  
13 DIRECT FINANCING BETWEEN PROPERTY OWNERS AND CAPITAL PROVIDERS AS THE  
14 MEANS TO FINANCE QUALIFYING IMPROVEMENTS.

15           3. A STATEMENT THAT THE LOCAL GOVERNMENT INTENDS TO AUTHORIZE  
16 SPECIAL ASSESSMENTS, ENTERED INTO VOLUNTARILY BY A PROPERTY OWNER WITH THE  
17 LOCAL GOVERNMENT BY MEANS OF A WRITTEN SPECIAL ASSESSMENT AGREEMENT, AS  
18 THE MEANS TO REPAY THE SPECIAL ASSESSMENT FINANCING.

19           4. A DESCRIPTION OF THE LOCAL GOVERNMENT'S PROCEDURES FOR BILLING  
20 AND COLLECTING SPECIAL ASSESSMENTS, INCLUDING WHETHER A LOCAL PROGRAM  
21 AUTHORITY OR CAPITAL PROVIDER IS RESPONSIBLE FOR BILLING AND COLLECTING  
22 THE SPECIAL ASSESSMENT.

23           5. A STATEMENT THAT THE ENFORCEMENT METHOD FOR A DELINQUENT SPECIAL  
24 ASSESSMENT INSTALLMENT BY A LOCAL PROGRAM AUTHORITY IS THE PROCEDURE  
25 PRESCRIBED BY ARTICLE 2 OF THIS CHAPTER AND THAT THE ENFORCEMENT METHOD  
26 FOR A DELINQUENT SPECIAL ASSESSMENT INSTALLMENT BY A CAPITAL PROVIDER IS  
27 THE PROCEDURE PRESCRIBED BY SECTION 49-1606, SUBSECTION D.

28           6. A STATEMENT THAT IDENTIFIES, AUTHORIZES AND DIRECTS THE LOCAL  
29 PROGRAM AUTHORITY TO DO THE FOLLOWING:

30           (a) EXECUTE SPECIAL ASSESSMENT AGREEMENTS AND OTHER DOCUMENTS ON  
31 BEHALF OF THE LOCAL GOVERNMENT RELATED TO PROJECT APPLICATIONS APPROVED BY  
32 THE PROGRAM ADMINISTRATOR PURSUANT TO THIS CHAPTER.

33           (b) BILL AND COLLECT SPECIAL ASSESSMENT INSTALLMENTS UNLESS  
34 OTHERWISE DELEGATED PURSUANT TO SECTION 49-1606, SUBSECTION B,  
35 PARAGRAPH 2.

36           (c) ENFORCE DELINQUENT SPECIAL ASSESSMENTS IN THE MANNER SET FORTH  
37 IN ARTICLE 2 OF THIS CHAPTER, UNLESS OTHERWISE DELEGATED PURSUANT TO  
38 SECTION 49-1606, SUBSECTION B, PARAGRAPH 2.

39           (d) UNDERTAKE ANY OTHER OBLIGATIONS THAT THE LOCAL GOVERNMENT  
40 ASSIGNS TO THE LOCAL PROGRAM AUTHORITY AND ANY ACTIONS NECESSARY TO  
41 EFFECTUATE THE DELEGATED OBLIGATIONS.

42           7. AN INCORPORATION BY REFERENCE OF THE PROGRAM GUIDEBOOK AND  
43 PROVISION THAT AUTHORIZES THE PROGRAM GUIDEBOOK TO BE AMENDED BY THE LOCAL  
44 GOVERNMENT.

1           8. A DESCRIPTION OF THE BOUNDARIES OF THE REGION IN WHICH  
2 QUALIFYING PROPERTY OWNERS MAY FINANCE QUALIFYING IMPROVEMENTS.

3           9. A DESCRIPTION OF PROPOSED ARRANGEMENTS FOR ADMINISTERING THE  
4 PROGRAM.

5           D. A PROGRAM MAY BE AMENDED IN ACCORDANCE WITH THE RESOLUTION OR  
6 ORDINANCE THAT ESTABLISHES THE PROGRAM.

7           49-1603. Intergovernmental agreements; exemption

8           A. AN AUTHORIZING MUNICIPALITY, IF AUTHORIZED PURSUANT TO A  
9 RESOLUTION OR ORDINANCE ADOPTED PURSUANT TO THIS CHAPTER, MAY ENTER INTO  
10 AN INTERGOVERNMENTAL AGREEMENT WITH ANOTHER LOCAL GOVERNMENT FOR THE  
11 PURPOSES OF ADMINISTERING A PROGRAM CONSISTENT WITH SECTION 9-461.11,  
12 SUBSECTION E.

13           B. AN AUTHORIZING COUNTY, IF AUTHORIZED PURSUANT TO A RESOLUTION OR  
14 ORDINANCE ADOPTED PURSUANT TO THIS CHAPTER, MAY ENTER INTO AN  
15 INTERGOVERNMENTAL AGREEMENT WITH ANOTHER LOCAL GOVERNMENT FOR THE PURPOSES  
16 OF ADMINISTERING A PROGRAM CONSISTENT WITH SECTION 11-952.

17           C. ANY INTERGOVERNMENTAL AGREEMENT ENTERED INTO PURSUANT TO THIS  
18 SECTION IS EXEMPT FROM TITLE 41, CHAPTER 23.

19           49-1604. Special assessment agreements; project application;  
20 financing agreement; fees

21           A. LOCAL PROGRAM AUTHORITIES MAY ENTER INTO SPECIAL ASSESSMENT  
22 AGREEMENTS WITH PROPERTY OWNERS TO SECURE SPECIAL ASSESSMENT FINANCING  
23 PURSUANT TO THIS CHAPTER. BEFORE ENTERING INTO A SPECIAL ASSESSMENT  
24 AGREEMENT, A PROPERTY OWNER SHALL SUBMIT A PROJECT APPLICATION TO THE  
25 PROGRAM ADMINISTRATOR ON A FORM PRESCRIBED BY THE PROGRAM GUIDEBOOK. THE  
26 PROJECT APPLICATION SHALL INCLUDE:

27           1. FOR AN EXISTING QUALIFYING PROPERTY EITHER:

28           (a) WHERE CRITICAL CAPITAL EXPENDITURE IMPROVEMENTS THAT INCLUDE  
29 ENERGY EFFICIENCY IMPROVEMENTS, WATER CONSERVATION IMPROVEMENTS OR  
30 RENEWABLE ENERGY IMPROVEMENTS ARE PROPOSED, CERTIFICATION BY A LICENSED  
31 PROFESSIONAL ENGINEER OR OTHER PROFESSIONAL LISTED IN THE PROGRAM  
32 GUIDEBOOK STATING THAT THE PROPOSED IMPROVEMENTS WILL RESULT IN EITHER A  
33 MORE EFFICIENT USE OR THE CONSERVATION OF ENERGY OR WATER, THE REDUCTION  
34 OF GREENHOUSE GAS EMISSIONS OR THE ADDITION OF RENEWABLE SOURCES OF ENERGY  
35 OR WATER.

36           (b) WHERE CRITICAL CAPITAL EXPENDITURE IMPROVEMENTS THAT INCLUDE  
37 RESILIENCY IMPROVEMENTS ARE PROPOSED, CERTIFICATION BY A LICENSED  
38 PROFESSIONAL ENGINEER OR OTHER PROFESSIONAL LISTED IN THE PROGRAM  
39 GUIDEBOOK STATING THAT THE QUALIFIED IMPROVEMENTS WILL RESULT IN IMPROVED  
40 RESILIENCE.

41           (c) WHERE ANY OTHER CRITICAL CAPITAL EXPENDITURE IMPROVEMENTS ARE  
42 PROPOSED, CERTIFICATION BY A LICENSED PROFESSIONAL ENGINEER OR OTHER  
43 PROFESSIONAL LISTED IN THE PROGRAM GUIDEBOOK STATING THAT THE PROPOSED  
44 IMPROVEMENTS PROVIDE OR CONTRIBUTE TO THE STRUCTURAL OR MECHANICAL SUPPORT  
45 OR FUNCTIONS OF THE STRUCTURE.

1           2. FOR CONSTRUCTION OF A NEW QUALIFYING PROPERTY, CERTIFICATION BY  
2 A LICENSED PROFESSIONAL ENGINEER STATING THAT THE PROPOSED CRITICAL  
3 CAPITAL EXPENDITURE IMPROVEMENTS SUPPORT OR CONTRIBUTE TO THE STRUCTURAL  
4 OR MECHANICAL SUPPORT OR FUNCTIONS OF THE PROPERTY, WHERE THE CRITICAL  
5 CAPITAL EXPENDITURE IMPROVEMENTS RELATE TO THE EFFICIENCY OF UTILITY USE,  
6 CERTIFICATION BY A LICENSED PROFESSIONAL ENGINEER OR OTHER PROFESSIONAL  
7 LISTED IN THE PROGRAM GUIDEBOOK STATING THAT THE PROPOSED IMPROVEMENTS  
8 WILL ENABLE THE PROPERTY TO CREATE NEW OR ADDITIONAL WATER STORAGE OR WILL  
9 EXCEED THE ENERGY EFFICIENCY, WATER CONSERVATION, RENEWABLE ENERGY OR  
10 RESILIENCE REQUIREMENTS OF THE APPLICABLE BUILDING CODES.

11           3. CERTIFICATION FROM A LICENSED PROFESSIONAL ENGINEER OR OTHER  
12 PROFESSIONAL LISTED IN THE PROGRAM GUIDEBOOK STATING THAT THE WEIGHTED  
13 AVERAGE USEFUL LIFE OF THE IMPROVEMENTS IS TEN YEARS OR MORE.

14           4. CERTIFICATION THAT THE PERSON REQUESTING THE PROPOSED QUALIFYING  
15 IMPROVEMENTS IS THE PROPERTY OWNER AND THAT THERE ARE NO DELINQUENT TAXES  
16 OR ASSESSMENTS ON THE PROPERTY.

17           5. THE NAME OF THE CAPITAL PROVIDER PROVIDING THE SPECIAL  
18 ASSESSMENT FINANCING AND THE PROPOSED TERMS OF THE FINANCING AGREEMENT,  
19 INCLUDING:

20           (a) THE FULL SPECIAL ASSESSMENT FINANCING AMOUNT, INCLUDING ANY  
21 FEES OR COSTS AUTHORIZED BY THIS SECTION.

22           (b) THE APPLICABLE INTEREST RATE.

23           (c) THE ADMINISTRATIVE FEES PAID TO THE LOCAL PROGRAM AUTHORITY OR  
24 PROGRAM ADMINISTRATOR.

25           (d) A SCHEDULE OF THE SPECIAL ASSESSMENT INSTALLMENTS.

26           (e) THE NUMBER OF YEARS THE SPECIAL ASSESSMENT WILL BE IMPOSED ON  
27 THE PROPERTY.

28           (f) THE DELINQUENT INTEREST RATE OR PENALTIES.

29           (g) THE CONDITIONS BY WHICH THE PROPERTY OWNER MAY PREPAY AND  
30 PERMANENTLY SATISFY THE DEBT OWED PURSUANT TO THE FINANCING AGREEMENT AND  
31 REMOVE THE SPECIAL ASSESSMENT LIEN FROM THE PROPERTY.

32           B. BEFORE ENTERING INTO A SPECIAL ASSESSMENT AGREEMENT, THE LOCAL  
33 PROGRAM AUTHORITY SHALL RECEIVE:

34           1. WRITTEN CONSENT FROM ANY HOLDER OF A LIEN, MORTGAGE OR SECURITY  
35 INTEREST IN THE QUALIFYING PROPERTY THAT THE PROPERTY MAY PARTICIPATE IN  
36 THE PROGRAM AND THAT THE SPECIAL ASSESSMENT LIEN SHALL HAVE PRIORITY  
37 SUPERIOR TO ALL LIENS, CLAIMS AND TITLES EXCEPT FOR GENERAL PROPERTY TAXES  
38 AND PRIOR SPECIAL ASSESSMENTS.

39           2. CERTIFICATION FROM THE PROGRAM ADMINISTRATOR THAT THE PROPOSED  
40 IMPROVEMENTS, QUALIFYING PROPERTY AND PROPERTY OWNER QUALIFY FOR SPECIAL  
41 ASSESSMENT FINANCING PURSUANT TO THE PROGRAM.

42           C. SPECIAL ASSESSMENT FINANCING SHALL BE PROVIDED BY CAPITAL  
43 PROVIDERS AND DISBURSED DIRECTLY BY CAPITAL PROVIDERS TO FUND QUALIFYING  
44 IMPROVEMENTS SUBJECT TO A FINANCING AGREEMENT.



1 D. NOTWITHSTANDING THE OBLIGATION OF THE LOCAL GOVERNMENT PURSUANT  
2 TO SECTION 49-1606, SUBSECTION B, PARAGRAPH 4 TO REMIT A SPECIAL  
3 ASSESSMENT INSTALLMENT RECEIVED FROM A PROPERTY OWNER TO THE APPLICABLE  
4 CAPITAL PROVIDER, A FINANCING AGREEMENT SHALL SPECIFY THAT THE LOCAL  
5 GOVERNMENT IS NOT LIABLE IN ANY WAY FOR THE DEBT OF THE PROPERTY OWNER, IS  
6 NOT A THIRD-PARTY OBLIGOR AND IS NOT PLEDGING OR LENDING CREDIT TO THE  
7 PROPERTY OWNER OR THE CAPITAL PROVIDER. A CAPITAL PROVIDER DOES NOT HAVE  
8 ANY RIGHT OR CAUSE OF ACTION AGAINST THE LOCAL GOVERNMENT FOR NONPAYMENT  
9 OF THE SPECIAL ASSESSMENT FINANCING AND SHALL LOOK SOLELY TO THE PROPERTY  
10 OWNER FOR RECOURSE.

11 E. COSTS CAPITALIZED INTO THE SPECIAL ASSESSMENT FINANCING  
12 PRINCIPAL AMOUNT MAY INCLUDE:

- 13 1. THE COST OF MATERIALS AND LABOR NECESSARY FOR INSTALLING OR  
14 MODIFYING A QUALIFYING IMPROVEMENT.
- 15 2. PERMIT FEES.
- 16 3. INSPECTION FEES.
- 17 4. CAPITAL PROVIDER'S FEES.
- 18 5. PROGRAM ADMINISTRATIVE FEES.
- 19 6. PROJECT DEVELOPMENT AND ENGINEERING FEES.
- 20 7. THIRD-PARTY REVIEW FEES.
- 21 8. VERIFICATION REVIEW FEES.
- 22 9. CAPITALIZED INTEREST.
- 23 10. INTEREST RESERVES.
- 24 11. ESCROW FOR PREPAID PROPERTY TAXES AND INSURANCE.
- 25 12. ANY OTHER FEES OR COSTS THAT MAY BE INCURRED BY THE PROPERTY  
26 OWNER AND THAT ARE INCIDENT OR ANCILLARY TO INSTALLING, MODIFYING OR  
27 CONSTRUCTING A QUALIFYING IMPROVEMENT ON A SPECIFIC OR PRO RATA BASIS.

28 F. A FINANCING AGREEMENT MAY AUTHORIZE THE PROPERTY OWNER TO  
29 DIRECTLY PURCHASE THE RELATED EQUIPMENT AND MATERIALS FOR INSTALLING OR  
30 MODIFYING A QUALIFIED IMPROVEMENT OR CONTRACT, INCLUDING THROUGH LEASE,  
31 POWER PURCHASE AGREEMENT OR OTHER SERVICE CONTRACT, FOR INSTALLING OR  
32 MODIFYING A QUALIFIED IMPROVEMENT.

33 G. NOTWITHSTANDING AMOUNTS RETAINED BY A LOCAL GOVERNMENT, LOCAL  
34 PROGRAM AUTHORITY OR PROGRAM ADMINISTRATOR PURSUANT TO SECTION 49-1606, A  
35 LOCAL PROGRAM AUTHORITY OR PROGRAM ADMINISTRATOR MAY CHARGE A PROPERTY  
36 OWNER PROGRAM ADMINISTRATIVE FEES THAT REFLECT THE REASONABLE COSTS OF THE  
37 PROGRAM AUTHORITY OR PROGRAM ADMINISTRATOR TO PROVIDE ADMINISTRATIVE  
38 SERVICES UNDER THIS SECTION FOR THE PROGRAM BUT THAT DO NOT EXCEED THE  
39 LESSER OF ONE PERCENT OF THE PRINCIPAL AMOUNT OF THE SPECIAL ASSESSMENT  
40 FINANCING OR \$50,000.

41 49-1605. Special assessment; imposition; amount; collection;  
42 lien

43 A. ON ENTERING INTO A SPECIAL ASSESSMENT AGREEMENT, THE LOCAL  
44 PROGRAM AUTHORITY SHALL RECORD, OR DELEGATE TO THE CAPITAL PROVIDER TO

1 RECORD, A NOTICE OF SPECIAL ASSESSMENT LIEN ON THE SUBJECT PROPERTY IN THE  
2 COUNTY RECORDER'S OFFICE OF THE COUNTY IN WHICH THE PROPERTY IS LOCATED.

3 B. THE RECORDING OF THE NOTICE OF SPECIAL ASSESSMENT LIEN PURSUANT  
4 TO SUBSECTION A OF THIS SECTION SHALL INCLUDE ALL OF THE FOLLOWING:

- 5 1. THE LEGAL DESCRIPTION OF THE PROPERTY.
- 6 2. THE COUNTY ASSESSOR'S PARCEL NUMBER OF THE PROPERTY.
- 7 3. THE NAME OF EACH PROPERTY OWNER OR PARTY CLAIMING A POSSESSORY  
8 INTEREST IN THE PROPERTY.
- 9 4. THE DATE ON WHICH THE SPECIAL ASSESSMENT LIEN WAS CREATED.
- 10 5. THE PRINCIPAL AMOUNT OF THE SPECIAL ASSESSMENT LIEN.
- 11 6. THE TERM OF THE SPECIAL ASSESSMENT LIEN.
- 12 7. A COPY OF THE SPECIAL ASSESSMENT AGREEMENT.

13 C. A SPECIAL ASSESSMENT LIEN IS EFFECTIVE FOR THE PERIOD IN WHICH  
14 THE SPECIAL ASSESSMENT IS IMPOSED UNTIL THE SPECIAL ASSESSMENT IS PAID IN  
15 FULL AND HAS PRIORITY SUPERIOR TO ALL LIENS, CLAIMS AND TITLES EXCEPT FOR  
16 GENERAL PROPERTY TAXES AND PRIOR SPECIAL ASSESSMENTS.

17 D. A SPECIAL ASSESSMENT LIEN RUNS WITH THE LAND, AND THAT PORTION  
18 OF THE SPECIAL ASSESSMENT LIEN THAT HAS NOT YET BECOME DUE IS NOT  
19 ACCELERATED OR ELIMINATED BY FORECLOSURE OF THE SPECIAL ASSESSMENT LIEN OR  
20 ANY LIEN FOR TAXES OR OTHER ASSESSMENTS IMPOSED BY THIS STATE OR A LOCAL  
21 GOVERNMENT OR DISTRICT AGAINST THE PROPERTY ON WHICH THE SPECIAL  
22 ASSESSMENT LIEN IS IMPOSED, OR BY THE FORECLOSURE OF THE QUALIFYING PARTY.

23 E. AT THE SAME TIME THE NOTICE OF SPECIAL ASSESSMENT LIEN IS  
24 RECORDED, THE LOCAL PROGRAM AUTHORITY SHALL EXECUTE AND RECORD A NOTICE OF  
25 ASSIGNMENT OF SPECIAL ASSESSMENT LIEN FROM THE LOCAL GOVERNMENT TO THE  
26 APPLICABLE CAPITAL PROVIDER ON THE SUBJECT PROPERTY IN THE COUNTY  
27 RECORDER'S OFFICE OF THE COUNTY IN WHICH THE PROPERTY IS LOCATED. THE  
28 NOTICE OF ASSIGNMENT OF SPECIAL ASSESSMENT LIEN SHALL CONTAIN ALL OF THE  
29 FOLLOWING:

- 30 1. THE LEGAL DESCRIPTION OF THE PROPERTY COVERED BY THE SPECIAL  
31 ASSESSMENT LIEN.
- 32 2. THE COUNTY ASSESSOR'S PARCEL NUMBER OF THE PROPERTY.
- 33 3. THE GRANTOR'S NAME, WHICH IS THE LOCAL GOVERNMENT IMPOSING THE  
34 SPECIAL ASSESSMENT LIEN.
- 35 4. THE GRANTEE'S NAME, WHICH IS THE APPLICABLE CAPITAL PROVIDER AND  
36 THE CAPITAL PROVIDER'S SUCCESSORS AND ASSIGNS.
- 37 5. THE DATE ON WHICH THE NOTICE OF ASSIGNMENT OF SPECIAL ASSESSMENT  
38 WAS CREATED.
- 39 6. THE AMOUNT AND TERMS OF THE SPECIAL ASSESSMENT ASSIGNED.

40 F. ON EXECUTION OF A NOTICE OF ASSIGNMENT OF SPECIAL ASSESSMENT  
41 LIEN, THE APPLICABLE CAPITAL PROVIDER SHALL HAVE AND POSSESS THE DELEGABLE  
42 POWERS AND RIGHTS AT LAW OR IN EQUITY AS THE LOCAL GOVERNMENT WOULD HAVE  
43 IF THE SPECIAL ASSESSMENT HAD NOT BEEN ASSIGNED WITH REGARD TO:

- 44 1. THE PRECEDENCE AND PRIORITY OF THE SPECIAL ASSESSMENT LIEN.
- 45 2. THE PROCEEDS OF SPECIAL ASSESSMENT INSTALLMENTS.

1           3. ACCRUAL OF PENALTIES AND FEES RELATED TO THE SPECIAL ASSESSMENT.  
2           G. THE ASSIGNEE OF A SPECIAL ASSESSMENT ENFORCED BY THE LOCAL  
3 GOVERNMENT PURSUANT TO SECTION 49-1606, SUBSECTION B, PARAGRAPH 2 HAS THE  
4 RIGHT TO ENFORCE THE SPECIAL ASSESSMENT AND SPECIAL ASSESSMENT LIEN  
5 PURSUANT TO SECTION 49-1606, SUBSECTION D.  
6           H. WHEN THE UNDERLYING SPECIAL ASSESSMENT FINANCING HAS BEEN  
7 SATISFIED, THE APPLICABLE CAPITAL PROVIDER SHALL NOTIFY THE LOCAL PROGRAM  
8 AUTHORITY AND THE LOCAL PROGRAM AUTHORITY SHALL RECORD A RELEASE OF THE  
9 SPECIAL ASSESSMENT LIEN BY THE LOCAL GOVERNMENT.  
10          49-1606. Special assessment; collection; enforcement  
11          A. SPECIAL ASSESSMENTS SHALL BE COLLECTED IN INSTALLMENTS AT SUCH  
12 TIMES AND PURSUANT TO THE TERMS OF THE SPECIAL ASSESSMENT AGREEMENT.  
13          B. SPECIAL ASSESSMENT INSTALLMENTS DUE UNDER THIS CHAPTER SHALL BE  
14 BILLED AND COLLECTED AS FOLLOWS:  
15           1. THE LOCAL PROGRAM AUTHORITY MAY BILL, COLLECT AND ENFORCE THE  
16 SPECIAL ASSESSMENT INSTALLMENTS.  
17           2. THE LOCAL PROGRAM AUTHORITY MAY EXECUTE A NOTICE OF DELEGATION  
18 TO ASSIGN THE BILLING, COLLECTING AND ENFORCING SPECIAL ASSESSMENT  
19 INSTALLMENTS TO THE CAPITAL PROVIDER. THE NOTICE OF DELEGATION SHALL BE:  
20           (a) ATTACHED TO THE NOTICE OF ASSIGNMENT OF SPECIAL ASSESSMENT LIEN  
21 AT THE TIME OF THE NOTICE OF ASSIGNMENT OF SPECIAL ASSESSMENT LIEN.  
22           (b) BE SUBSTANTIALLY IN THE FOLLOWING FORM: "BY VIRTUE HEREOF, I  
23 (NAME OF LOCAL PROGRAM AUTHORITY), BY VIRTUE OF THE AUTHORITY VESTED IN ME  
24 AS SAID LOCAL PROGRAM AUTHORITY, DO AUTHORIZE AND EMPOWER (NAME OF CAPITAL  
25 PROVIDER), THE CAPITAL PROVIDER'S AGENTS OR ASSIGNS, TO DEMAND AND RECEIVE  
26 THE ASSESSMENT HERETO ATTACHED, AND TO ENFORCE THE SPECIAL ASSESSMENT  
27 PURSUANT TO SECTION 49-1606, SUBSECTION D, AND THIS SHALL BE THE  
28 DELEGATION FOR THE SAME."  
29           3. THE PROCEDURES FOR BILLING AND COLLECTING WILL BE AS DESCRIBED  
30 IN THE SPECIAL ASSESSMENT AGREEMENT.  
31           4. SPECIAL ASSESSMENT INSTALLMENTS COLLECTED OR RECEIVED BY THE  
32 LOCAL PROGRAM AUTHORITY SHALL BE HELD IN A SEGREGATED ACCOUNT AND REMITTED  
33 TO THE APPLICABLE CAPITAL PROVIDER.  
34           5. DELINQUENT SPECIAL ASSESSMENT INSTALLMENTS SHALL INCUR INTEREST  
35 AND PENALTIES AS SPECIFIED IN THE FINANCING AGREEMENT.  
36           6. THE LOCAL GOVERNMENT AND THE LOCAL PROGRAM AUTHORITY SHALL  
37 PROVIDE IN THE SPECIAL ASSESSMENT AGREEMENT FOR THE PAYMENT OF THE LOCAL  
38 PROGRAM AUTHORITIES' COLLECTION EXPENSES DIRECTLY RELATED TO THE SPECIAL  
39 ASSESSMENT INSTALLMENTS. THE EXPENSES MUST BE INCLUDED AS ADDITIONAL  
40 AMOUNTS ADDED TO THE SPECIAL ASSESSMENT INSTALLMENT AMOUNTS AND BE  
41 DIRECTLY RELATED TO THE ACTUAL EXPENSES OF COLLECTING THE SPECIAL  
42 ASSESSMENT INSTALLMENTS. THE LOCAL PROGRAM AUTHORITY MAY IMPOSE AN  
43 ADDITIONAL SURCHARGE OF NOT MORE THAN TWENTY-FIVE PERCENT OF THE FEE  
44 CHARGED FOR FURNISHING A COPY, PRINTOUT OR PHOTOGRAPH.

1 C. IF A LOCAL PROGRAM AUTHORITY IS BILLING AND COLLECTING SPECIAL  
2 ASSESSMENT INSTALLMENTS PURSUANT TO SUBSECTION B, PARAGRAPH 1 OF THIS  
3 SECTION, IN THE EVENT OF A NONPAYMENT OF A SPECIAL ASSESSMENT INSTALLMENT,  
4 THE LOCAL PROGRAM AUTHORITY, ON OR BEFORE ONE YEAR AFTER THE DATE ON WHICH  
5 THE SPECIAL ASSESSMENT INSTALLMENT BECAME DELINQUENT, SHALL COLLECT THE  
6 DELINQUENT SPECIAL ASSESSMENT INSTALLMENT PURSUANT TO ARTICLE 2 OF THIS  
7 CHAPTER.

8 D. IF THE LOCAL PROGRAM AUTHORITY FAILS TO COLLECT THE DELINQUENT  
9 SPECIAL ASSESSMENT INSTALLMENT PURSUANT TO ARTICLE 2 OF THIS CHAPTER OR  
10 HAS EXECUTED A NOTICE OF DELEGATION OF AUTHORITY TO THE CAPITAL PROVIDER,  
11 AT ANY TIME AFTER ONE YEAR AFTER THE DATE OF DELINQUENCY OF AN UNPAID  
12 SPECIAL ASSESSMENT INSTALLMENT, AND WITHOUT WAIVING ANY OTHER AVAILABLE  
13 RELIEF, THE CAPITAL PROVIDER MAY INITIATE A SUIT FOR FORECLOSURE AGAINST  
14 THE PROPERTY OWNER OF THE QUALIFYING PROPERTY TO RECOVER ALL DELINQUENT  
15 SPECIAL INSTALLMENTS AND ANY INTEREST AND PENALTIES SPECIFIED IN THE  
16 FINANCING AGREEMENT. THE SUIT FOR FORECLOSURE SHALL FOLLOW THE PROCEDURES  
17 FOR JUDICIAL FORECLOSURE OF A MORTGAGE UNDER TITLE 33, CHAPTER 6,  
18 ARTICLE 2. THE PORTION OF THE SPECIAL ASSESSMENT LIEN THAT HAS NOT YET  
19 BECOME DUE IS NOT ACCELERATED OR ELIMINATED BY FORECLOSURE OF THE SPECIAL  
20 ASSESSMENT LIEN.

21 ARTICLE 2. DELINQUENT INSTALLMENTS

22 49-1611. List of delinquent installments; notice; sale of  
23 delinquent property

24 A. WITHIN TWENTY DAYS AFTER THE DATE OF DELINQUENCY, THE LOCAL  
25 PROGRAM AUTHORITY SHALL PREPARE A LIST OF THE SPECIAL ASSESSMENTS ON WHICH  
26 ANY INSTALLMENT IS DELINQUENT. THE LIST SHALL CONTAIN:

27 1. A DESCRIPTION OF EACH PARCEL OF QUALIFYING PROPERTY AND THE NAME  
28 OF THE PROPERTY OWNER AS STATED IN THE SPECIAL ASSESSMENT.

29 2. THE AMOUNT OF THE DELINQUENT SPECIAL ASSESSMENT INSTALLMENT AND  
30 PENALTIES AND COSTS DUE, INCLUDING THE COST OF ADVERTISING.

31 B. THE LOCAL PROGRAM AUTHORITY SHALL NOTIFY THE PROPERTY OWNER THAT  
32 UNLESS EACH DELINQUENT SPECIAL ASSESSMENT INSTALLMENT AND THE PENALTIES  
33 AND COSTS DUE ARE PAID, THE QUALIFYING PROPERTY ON WHICH THE SPECIAL  
34 ASSESSMENT IS A LIEN WILL BE SOLD AT PUBLIC AUCTION AT THE TIME AND PLACE  
35 SPECIFIED IN THE NOTICE. AT LEAST TEN DAYS BEFORE THE DATE OF THE SALE,  
36 THE NOTICE SHALL BE MAILED TO THE OWNER OF THE QUALIFYING PROPERTY OR  
37 PARCEL ON WHICH A SPECIAL ASSESSMENT INSTALLMENT IS DELINQUENT AT THE  
38 ADDRESS SHOWN ON THE MOST RECENT PROPERTY TAX ROLL.

39 C. THE TIME OF THE SALE MAY NOT BE LESS THAN TEN DAYS AFTER THE  
40 NOTICE IS MAILED. THE PLACE OF PUBLIC AUCTION SHALL BE IN OR IN FRONT OF  
41 THE OFFICE OF THE LOCAL PROGRAM AUTHORITY, OR AT THE PLACE OTHERWISE  
42 DESIGNATED IN THE NOTICE.

43 49-1612. Payment after delinquency and before sale

44 A. AT ANY TIME BEFORE THE SALE OF ANY QUALIFYING PROPERTY SUBJECT  
45 TO A DELINQUENT SPECIAL ASSESSMENT INSTALLMENT, ANY PARTY HAVING AN

1 INTEREST IN THE QUALIFYING PROPERTY MAY PAY THE DELINQUENT SPECIAL  
2 ASSESSMENT INSTALLMENT ON THE QUALIFYING PROPERTY TOGETHER WITH THE  
3 PENALTY AND COSTS DUE, INCLUDING THE COST OF ADVERTISING.

4 B. ON PAYMENT PURSUANT TO SUBSECTION A OF THIS SECTION, THE LOCAL  
5 PROGRAM AUTHORITY SHALL NOTE IN THE RECORD THE DATE OF PAYMENT, THE NAME  
6 OF THE PERSON BY OR FOR WHOM THE PAYMENT IS PAID AND THE AMOUNT PAID.

7 49-1613. Notice to lien claimants

8 A. BEFORE THE DATE FIXED FOR THE SALE OR BEFORE THE DATE TO WHICH  
9 THE SALE HAS BEEN POSTPONED, THE LOCAL PROGRAM AUTHORITY SHALL OBTAIN A  
10 RECORD SEARCH THAT SHOWS THE NAMES AND ADDRESSES OF RECORD OF ALL LIEN  
11 CLAIMANTS ON, AND OTHER PERSONS WITH AN INTEREST IN, ALL PROPERTIES OR  
12 PARCELS ON WHICH A SPECIAL ASSESSMENT INSTALLMENT IS DELINQUENT. THE COST  
13 OF A RECORD SEARCH MAY BE ADDED TO THE SPECIAL ASSESSMENT AND IS DEEMED TO  
14 BE A PORTION OF THE DELINQUENT SPECIAL ASSESSMENT INSTALLMENT.

15 B. AT LEAST TEN DAYS BEFORE THE SALE DATE OR THE DATE TO WHICH THE  
16 SALE HAS BEEN POSTPONED, THE LOCAL PROGRAM AUTHORITY SHALL MAIL A NOTICE  
17 OF THE DATE AND PLACE OF THE SALE OR POSTPONED SALE TO THE PROPERTY OWNER  
18 AND TO EACH OF THE LIEN CLAIMANTS AND OTHER PERSONS WITH AN INTEREST AS  
19 SHOWN BY THE SEARCH OF RECORDS. THE NOTICE SHALL STATE:

20 1. THE DATE OF THE SALE, THE AMOUNT OF THE DELINQUENT SPECIAL  
21 ASSESSMENT INSTALLMENTS, INCLUDING PENALTIES, COSTS OF ADVERTISEMENT AND  
22 COSTS OF THE RECORD SEARCH.

23 2. THAT THE WHOLE AMOUNT OF THE SPECIAL ASSESSMENT INSTALLMENTS AND  
24 COSTS AND PENALTIES ARE DUE AT THE TIME OF THE SALE.

25 3. THAT, UNLESS REDEEMED WITHIN THE TIME ALLOWED BY LAW, A DEED  
26 WILL BE DELIVERED TO THE PURCHASER AND THE DEED SHALL CONVEY TITLE TO THE  
27 LANDS DESCRIBED IN THE DEED FREE AND CLEAR OF ALL INTERESTS AND LIENS,  
28 EXCEPT FOR THE LIEN FOR GENERAL PROPERTY TAXES AND PRIOR SPECIAL  
29 ASSESSMENTS, INCLUDING SPECIAL ASSESSMENT LIEN FOR THE UNPAID PORTION OF  
30 THE SPECIAL ASSESSMENT IMPOSED PURSUANT TO THIS CHAPTER.

31 C. A FINAL SALE MAY NOT BE HELD UNLESS THE LOCAL PROGRAM AUTHORITY  
32 HAS PROVIDED NOTICE BY MAIL AS PRESCRIBED BY THIS SECTION TO ALL LIEN  
33 CLAIMANTS AND OTHER PERSONS WITH AN INTEREST DISCOVERED IN THE SEARCH OF  
34 RECORDS. THE MAILING MAY OCCUR EITHER BEFORE THE DATE ORIGINALLY SET FOR  
35 THE SALE OR BEFORE THE DATE OF ANY POSTPONED SALE, AND ONLY ONE MAILING  
36 AND ONE RECORD SEARCH ARE REQUIRED.

37 49-1614. Sale procedure

38 A. ON THE DATE SET FOR THE SALE, THE LOCAL PROGRAM AUTHORITY SHALL  
39 AT TEN O'CLOCK A.M., OR ANY TIME THEREAFTER TO WHICH THE SALE MAY BE  
40 ADJOURNED, BEGIN THE SALE OF THE PROPERTY ADVERTISED. THE LOCAL PROGRAM  
41 AUTHORITY MAY POSTPONE OR CONTINUE THE SALE FROM DAY TO DAY UNTIL ALL THE  
42 PROPERTY IS SOLD. EACH PROPERTY SEPARATELY ASSESSED SHALL BE OFFERED FOR  
43 SALE SEPARATELY. THE SALE SHALL BE FOR THE DELINQUENT SPECIAL ASSESSMENT  
44 INSTALLMENT, AND NOT FOR THE ENTIRE ASSESSMENT.

1 B. IF THERE IS NOT A PURCHASER FOR ANY QUALIFYING PROPERTY OFFERED  
2 FOR SALE, THE QUALIFYING PROPERTY SHALL BE STRUCK OFF TO THE CAPITAL  
3 PROVIDER AS THE PURCHASER IF ALL OUTSTANDING TAXES AND PRIOR ASSESSMENTS  
4 ARE PAID BY THE CAPITAL PROVIDER. THE CAPITAL PROVIDER MAY SELL ANY  
5 QUALIFYING PROPERTY, SO PURCHASED AFTER THE EXPIRATION OF THE TIME FOR  
6 REDEMPTION PURSUANT TO SECTION 49-1616, AT PUBLIC OR PRIVATE SALE.

7 C. ALL PROCEEDS OF A SALE OF THE QUALIFYING PROPERTY OR PURCHASE OF  
8 A DEED PURSUANT TO THIS SECTION RELATED TO A DELINQUENT SPECIAL ASSESSMENT  
9 INSTALLMENT SHALL BE REMITTED TO THE APPLICABLE CAPITAL PROVIDER, EXCEPT  
10 THE LOCAL PROGRAM AUTHORITY SHALL RETAIN THE ACTUAL AND REASONABLE COSTS  
11 THE LOCAL PROGRAM AUTHORITY INCURRED TO ENFORCE A DELINQUENT SPECIAL  
12 ASSESSMENT INSTALLMENT.

13 49-1615. Certificate of sale; lien record

14 A. AFTER MAKING THE SALE, THE LOCAL PROGRAM AUTHORITY SHALL  
15 EXECUTE, IN DUPLICATE, A CERTIFICATE OF SALE STATING THE DESCRIPTION OF  
16 THE QUALIFYING PROPERTY SOLD, THE NAME AND ADDRESS OF THE OWNER AND ALL  
17 LIEN CLAIMANTS AS GIVEN BY THE RECORD SEARCH PRESCRIBED BY SECTION  
18 49-1613, THAT THE QUALIFYING PROPERTY WAS SOLD FOR A DELINQUENT SPECIAL  
19 ASSESSMENT INSTALLMENT, SPECIFYING THE IMPROVEMENTS FOR WHICH THE SPECIAL  
20 ASSESSMENT WAS MADE, THE AMOUNT FOR WHICH THE QUALIFYING PROPERTY WAS  
21 SOLD, THE DATE OF THE SALE, THE NAME OF THE PURCHASER AND THE FIRST DATE  
22 ON WHICH THE PURCHASER MAY APPLY FOR A DEED. THE LOCAL PROGRAM AUTHORITY  
23 SHALL FILE ONE COPY OF THE CERTIFICATE IN THE LOCAL PROGRAM AUTHORITY'S  
24 OFFICE AND DELIVER THE OTHER TO THE PURCHASER.

25 B. ON FILING THE COPY OF THE CERTIFICATE IN THE OFFICE OF THE LOCAL  
26 PROGRAM AUTHORITY, THE LIEN OF THE DELINQUENT SPECIAL ASSESSMENT  
27 INSTALLMENT SHALL VEST IN THE PURCHASER AND IS ONLY DIVESTED BY A  
28 REDEMPTION OF THE QUALIFYING PROPERTY, AS PROVIDED BY THIS ARTICLE. THIS  
29 SUBSECTION DOES NOT EXTINGUISH OR CHANGE THE LIEN FOR THE REMAINING  
30 SPECIAL ASSESSMENT INSTALLMENTS.

31 C. THE LOCAL PROGRAM AUTHORITY SHALL ALSO ENTER ON THE RECORD OF  
32 THE SPECIAL ASSESSMENT INSTALLMENT LIEN, OPPOSITE THE DESCRIPTION OF EACH  
33 QUALIFYING PROPERTY OFFERED FOR SALE, A DESCRIPTION OF THE PART THEREOF  
34 SOLD, THE AMOUNT FOR WHICH THE QUALIFYING PROPERTY WAS SOLD, THE DATE OF  
35 THE SALE AND THE NAME OF THE PURCHASER.

36 49-1616. Redemption

37 A. REDEMPTION MAY BE MADE BY ANY PARTY HAVING AN INTEREST IN THE  
38 QUALIFYING PROPERTY AT ANY TIME BEFORE THE EXECUTION AND DELIVERY OF A  
39 DEED FOR THE QUALIFYING PROPERTY BY PAYING TO THE LOCAL PROGRAM AUTHORITY  
40 THE AMOUNT FOR WHICH THE QUALIFYING PROPERTY WAS SOLD AND FIVE PERCENT  
41 THEREON IF PAID WITHIN THREE MONTHS FROM THE DATE OF SALE, TEN PERCENT IF  
42 PAID WITHIN SIX MONTHS, TWELVE PERCENT IF PAID WITHIN NINE MONTHS, FIFTEEN  
43 PERCENT IF PAID WITHIN TWELVE MONTHS OR TWENTY PERCENT IF PAID AT ANY TIME  
44 AFTER TWELVE MONTHS FROM THE DATE OF SALE.

1 B. WHEN REDEMPTION IS MADE, THE LOCAL PROGRAM AUTHORITY SHALL NOTE  
2 THAT FACT ON THE DUPLICATE CERTIFICATE OF SALE IN THE LOCAL PROGRAM  
3 AUTHORITY'S OFFICE AND DEPOSIT THE AMOUNT PAID WITH THE CAPITAL PROVIDER.  
4 THE CAPITAL PROVIDER SHALL CREDIT THE PURCHASER NAMED IN THE CERTIFICATE  
5 OF SALE WITH THE AMOUNT PAID AND PAY THE SUM TO THE PURCHASER OR THE  
6 PURCHASER'S ASSIGNEE, ON THE SURRENDER OF THE CERTIFICATE OF SALE.

7 49-1617. Failure to redeem; notice; affidavit; execution of  
8 deed

9 A. AFTER THE EXPIRATION OF TWELVE MONTHS FROM THE DATE OF SALE, THE  
10 LOCAL PROGRAM AUTHORITY SHALL EXECUTE TO THE PURCHASER, OR THE PURCHASER'S  
11 ASSIGNEE, ON APPLICATION, IF THE PURCHASER HAS FULLY COMPLIED WITH THE  
12 PROVISIONS OF THIS SECTION, A DEED TO THE PROPERTY SOLD IN WHICH SHALL BE  
13 RECITED SUBSTANTIALLY THE MATTERS CONTAINED IN THE CERTIFICATE, ANY  
14 ASSIGNMENT THEREOF, AND THAT NO PERSON HAS REDEEMED THE QUALIFYING  
15 PROPERTY. THE LOCAL PROGRAM AUTHORITY SHALL RECEIVE FROM THE APPLICANT  
16 FOR A DEED \$1 FOR MAKING THE DEED.

17 B. THE PURCHASER, AT LEAST THIRTY DAYS BEFORE APPLYING FOR A DEED,  
18 SHALL MAIL TO THE OWNER, ALL LIEN CLAIMANTS OF RECORD, ALL PERSONS OF  
19 RECORD WITH AN INTEREST IN THE QUALIFYING PROPERTY AND, IF OCCUPIED BY A  
20 PERSON OTHER THAN THE OWNER, TO THE OCCUPANT OF THE QUALIFYING PROPERTY, A  
21 WRITTEN NOTICE THAT THE QUALIFYING PROPERTY, GIVING THE DESCRIPTION, HAS  
22 BEEN SOLD FOR A DELINQUENT SPECIAL ASSESSMENT INSTALLMENT, SPECIFYING THE  
23 IMPROVEMENTS FOR WHICH THE SPECIAL ASSESSMENT WAS MADE, THE AMOUNT FOR  
24 WHICH THE QUALIFYING PROPERTY WAS SOLD, THE AMOUNT NECESSARY TO REDEEM AT  
25 THE TIME OF THE NOTICE, THE TIME WHEN THE PURCHASER OR ASSIGNEE WILL APPLY  
26 TO THE LOCAL PROGRAM AUTHORITY FOR A DEED AND THAT, ON ISSUANCE OF THE  
27 DEED, ALL INTERESTS IN THE QUALIFYING PROPERTY, WHETHER OF RECORD BEFORE  
28 OR AFTER THE DELINQUENT ASSESSMENT LIEN, WILL BE EXTINGUISHED, EXCEPT FOR  
29 THE LIEN FOR GENERAL PROPERTY TAXES AND PRIOR SPECIAL ASSESSMENTS,  
30 INCLUDING THE UNPAID PORTION OF THE SPECIAL ASSESSMENT IMPOSED PURSUANT TO  
31 THIS CHAPTER. IF THE OWNER CANNOT BE FOUND AFTER DUE DILIGENCE, THE  
32 NOTICE SHALL BE POSTED IN A CONSPICUOUS PLACE ON THE QUALIFYING PROPERTY  
33 AT LEAST THIRTY DAYS BEFORE THE TIME STATED IN THE NOTICE OF THE  
34 APPLICATION FOR A DEED.

35 C. THE APPLICANT SHALL FILE WITH THE LOCAL PROGRAM AUTHORITY AN  
36 AFFIDAVIT SHOWING THAT NOTICE OF THE APPLICATION HAS BEEN GIVEN, AND IF  
37 THE MAILED NOTICE WAS RETURNED TO THE SENDER, THAT DUE DILIGENCE WAS USED  
38 TO FIND THE OWNER. IF REDEMPTION OF THE QUALIFYING PROPERTY IS MADE AFTER  
39 THE AFFIDAVIT IS FILED, AND MORE THAN TWELVE MONTHS FROM THE DATE OF SALE,  
40 THE PERSON MAKING THE REDEMPTION SHALL PAY, IN ADDITION, FOR PAYMENT TO  
41 THE PURCHASER, \$10 FOR THE SERVICE OF NOTICE AND THE MAKING OF THE  
42 AFFIDAVIT.

43 D. THE DEED OF LOCAL PROGRAM AUTHORITY IS PRIMA FACIE EVIDENCE OF  
44 THE TRUTH OF ALL MATTERS RECITED THEREIN, AND OF THE REGULARITY OF ALL  
45 PROCEEDINGS BEFORE THE EXECUTION THEREOF AND OF TITLE IN THE GRANTEE. THE

1 DEED OF THE LOCAL PROGRAM AUTHORITY SHALL CONVEY TO THE PURCHASER FEE  
2 TITLE TO THE LANDS DESCRIBED THEREIN, FREE AND CLEAR OF ALL INTERESTS,  
3 LIENS, CLAIMS AND ENCUMBRANCES WHETHER OF RECORD BEFORE OR AFTER THE  
4 SPECIAL ASSESSMENT LIEN, EXCEPT FOR THE LIEN FOR GENERAL PROPERTY TAXES  
5 AND PRIOR SPECIAL ASSESSMENTS AND THE SPECIAL ASSESSMENT LIEN FOR THE  
6 UNPAID PORTION OF THE SPECIAL ASSESSMENT IMPOSED PURSUANT TO THIS CHAPTER.

7 49-1618. Proof of notice; affidavit; validity of notice;  
8 costs; definition

9 A. UNLESS OTHERWISE PROVIDED BY THIS CHAPTER, PROOF OF MAILING, OF  
10 PUBLISHING OR OF POSTING THE NOTICES REQUIRED BY THIS ARTICLE SHALL BE  
11 MADE BY AFFIDAVIT OF THE PERSON REQUIRED TO MAIL, PUBLISH OR POST THE  
12 NOTICE. THE AFFIDAVIT SHALL:

- 13 1. STATE THE MANNER OF MAILING, PUBLISHING OR POSTING THE NOTICE.
- 14 2. STATE THE DATE THE NOTICE WAS MAILED, PUBLISHED OR POSTED.
- 15 3. HAVE ATTACHED TO THE AFFIDAVIT A COPY OF THE PUBLICATION OR  
16 NOTICE THAT WAS MAILED OR POSTED.
- 17 4. BE FILED IN THE OFFICE OF THE LOCAL PROGRAM AUTHORITY.

18 B. AN AFFIDAVIT PREPARED PURSUANT TO THIS SECTION IS PRIMA FACIE  
19 EVIDENCE OF THE POSTING, PUBLISHING OR MAILING DESCRIBED. THE FAILURE OF  
20 ANY PERSON TO RECEIVE A MAILED NOTICE DOES NOT AFFECT THE VALIDITY OF ANY  
21 NOTICE THAT WAS MAILED AS PRESCRIBED BY THIS ARTICLE. THE FAILURE TO MAIL  
22 A NOTICE TO ONE OR MORE PERSONS DOES NOT AFFECT ANY NOTICES MAILED TO  
23 OTHER PERSONS. AN ERROR OR INFORMALITY IN A NOTICE DOES NOT INVALIDATE  
24 OTHER PORTIONS OF A NOTICE.

25 C. THE COSTS OF MAILING AND PUBLISHING PROVIDED IN THIS SECTION ARE  
26 A VALID INCIDENTAL EXPENSE PURSUANT TO THIS CHAPTER.

27 D. NOTICE SERVED ON A MARRIED PERSON IS DEEMED NOTICE ON THE  
28 PERSON'S SPOUSE, NOTICE SERVED ON GUARDIANS AND ADMINISTRATORS CONSTITUTE  
29 NOTICE TO HEIRS AND WARDS AND NOTICE SERVED ON AN ATTORNEY-IN-FACT  
30 CONSTITUTES NOTICE TO THE ATTORNEY'S PRINCIPAL.

31 E. FOR THE PURPOSES OF THIS SECTION, "MAIL", "MAILED" OR "MAILING"  
32 MEANS DEPOSIT OF THE NOTICE OR DOCUMENT WITH THE UNITED STATES POSTAL  
33 SERVICE FIRST CLASS POSTAGE PREPAID.