

**2SHB 1007 - H AMD 163**

By Representative Morris

ADOPTED 03/09/2009

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature intends to promote the  
4 development of renewable energy technologies and the application of  
5 energy efficiency measures by authorizing the issuance of revenue bonds  
6 to finance renewable energy and energy efficiency improvement costs.  
7 The legislature finds that by providing access to low-cost capital to  
8 finance renewable energy and energy efficiency projects, a key barrier  
9 is eliminated.

10 **Sec. 2.** RCW 43.180.020 and 1990 c 167 s 1 are each amended to read  
11 as follows:

12 (~~Unless the context clearly requires otherwise,~~) The definitions  
13 in this section apply throughout this chapter unless the context  
14 clearly requires otherwise.

15 (1) "Bonds" means the bonds, notes, or other evidences of  
16 indebtedness of the commission, the interest paid on which may or may  
17 not qualify for tax exemption.

18 (2) "Certifying authority" means: (a) For improvements involving  
19 solar electric systems, the Washington climate and rural energy  
20 development center at Washington State University, established under  
21 RCW 28B.30.642; or (b) for all other energy efficiency and renewable  
22 energy improvements, any utility company or other institution qualified  
23 to assess and certify the feasibility and benefit of energy efficiency  
24 and renewable energy improvements in a manner that is efficient and  
25 minimizes the amount of time or cost.

26 (3) "Code" means the federal internal revenue code of 1954, as now  
27 or hereafter amended, and the regulations and rulings promulgated  
28 thereunder.

1           ~~((3))~~ (4) "Commission" means the Washington state housing finance  
2 commission or any board, body, commission, department, or officer  
3 succeeding to the principal functions thereof or to whom the powers  
4 conferred upon the commission shall be given by law.

5           ~~((4))~~ (5) "Costs of housing" means all costs related to the  
6 development, design, acquisition, construction, reconstruction,  
7 leasing, rehabilitation, and other improvements of housing, as  
8 determined by the commission.

9           ~~((5))~~ (6) "Eligible applicant" means, with respect to the  
10 sustainable energy trust program, an owner of a residential,  
11 agricultural, commercial, state, or municipal property.

12           (7) "Eligible person" means a person or family eligible in  
13 accordance with standards promulgated by the commission. Such persons  
14 shall include those persons whose income is insufficient to obtain at  
15 a reasonable cost, without financial assistance, decent, safe, and  
16 sanitary housing in the area in which the person or family resides, and  
17 may include such other persons whom the commission determines to be  
18 eligible.

19           ~~((6))~~ (8) "Energy efficiency improvement" means an installation  
20 or modification that is designed to reduce energy consumption in  
21 residential, agricultural, commercial, state, or municipal properties.  
22 The term includes, but is not limited to: Insulation; storm windows  
23 and doors; automatic energy control systems; heating, ventilating, or  
24 air conditioning and distribution system modifications or replacements  
25 in buildings or central plants; caulking and weather stripping; energy  
26 recovery systems; geothermal heat pumps; and day lighting systems.

27           (9) "Housing" means specific new, existing, or improved residential  
28 dwellings within this state or dwellings to be constructed within this  
29 state. The term includes land, buildings, and manufactured dwellings,  
30 and improvements, furnishings, and equipment, and such other nonhousing  
31 facilities, furnishings, equipment, and costs as may be incidental or  
32 appurtenant thereto if in the judgment of the commission the  
33 facilities, furnishings, equipment and costs are an integral part of  
34 the project. Housing may consist of single-family or multifamily  
35 dwellings in one or more structures located on contiguous or  
36 noncontiguous parcels or any combination thereof. Improvements may  
37 include such equipment and materials as are appropriate to accomplish

1 energy efficiency within a dwelling. The term also includes a dwelling  
2 constructed by a person who occupies and owns the dwelling, and nursing  
3 homes licensed under chapter 18.51 RCW.

4 ~~((+7))~~ (10) "Mortgage" means a mortgage, mortgage deed, deed of  
5 trust, security agreement, or other instrument securing a mortgage loan  
6 and constituting a lien on or security interest in housing. The  
7 property may be held in fee simple or on a leasehold under a lease  
8 having a remaining term, at the time the mortgage is acquired, of not  
9 less than the term of repayment of the mortgage loan secured by the  
10 mortgage. The property may also be housing which is evidenced by an  
11 interest in a cooperative association or corporation if ownership of  
12 the interest entitles the owner of the interest to occupancy of a  
13 dwelling owned by the association or corporation.

14 ~~((+8))~~ (11) "Mortgage lender" means any of the following entities  
15 which customarily provide service or otherwise aid in the financing of  
16 housing and which are approved as a mortgage lender by the commission:  
17 A bank, trust company, savings bank, national banking association,  
18 savings and loan association, building and loan association, mortgage  
19 banker, mortgage company, credit union, life insurance company, or any  
20 other financial institution, governmental agency, municipal  
21 corporation, or any holding company for any of the entities specified  
22 in this subsection.

23 ~~((+9))~~ (12) "Mortgage loan" means an interest-bearing loan or a  
24 participation therein, made to a borrower, for the purpose of financing  
25 the costs of housing, evidenced by a promissory note, and which may or  
26 may not be secured (a) under a mortgage agreement, (b) under any other  
27 security agreement, regardless of whether the collateral is personal or  
28 real property, or (c) by insurance or a loan guarantee of a third  
29 party. However, an unsecured loan shall not be considered a mortgage  
30 loan under this definition unless the amount of the loan is under two  
31 thousand five hundred dollars.

32 (13) "Qualified improvement" means an energy efficiency improvement  
33 which has been approved by a certifying authority or a net metering  
34 system as defined under RCW 80.60.010.

35 NEW SECTION. Sec. 3. A new section is added to chapter 43.180 RCW  
36 to read as follows:

37 (1) If economically feasible, the commission shall develop and

1 implement a sustainable energy trust program to provide financing for  
2 qualified improvement projects. In developing the sustainable energy  
3 trust program, the commission shall establish eligibility criteria for  
4 financing that will enable it to choose eligible applicants who are  
5 likely to repay loans made or acquired by the commission and funded  
6 from the proceeds of commission bonds.

7 (2) The commission shall, if economically feasible:

8 (a) Issue bonds, as defined in RCW 43.180.020, for the purpose of  
9 financing loans for qualified energy efficiency and renewable energy  
10 improvement projects in accordance with RCW 43.180.150;

11 (b) Participate fully in federal and other governmental programs  
12 and take actions that are necessary and consistent with this chapter to  
13 secure to itself and the people of the state the benefits of programs  
14 to promote energy efficiency and renewable energy technologies;

15 (c) Contract with a certifying authority to accept applications for  
16 energy efficiency and renewable energy improvement projects, to review  
17 applications, including binding fixed price bids for the improvements,  
18 and to approve qualified improvements for financing by the commission.  
19 For solar electric systems, the certifying authority must use an  
20 application certification process similar to the investment cost  
21 recovery incentive application process provided under RCW 82.16.120.  
22 No work by a certifying authority may commence under this section until  
23 a request has been made by the commission; and

24 (d) Before entering into a contract with a certifying authority as  
25 defined in RCW 43.180.020(2)(b), consult with the Washington State  
26 University energy extension program to determine which potential  
27 improvement technologies are appropriate.

28 (3) No general fund resources may be expended to implement this  
29 section."

30 Correct the title.

EFFECT: Specifies that no work by a certifying authority shall  
commence until a request has been made by the housing finance  
commission. Requires the housing finance commission to consult with  
the Washington State University energy extension program to determine  
which potential improvement technologies are appropriate before

entering into contracts with certifying authorities. Specifies that no general fund resources shall be expended to implement the sustainable energy trust program.

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