

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1163

Introduced by Fredrickson, 20.

Read first time January 20, 2026

Committee: Urban Affairs

1 A BILL FOR AN ACT relating to the Property Assessed Clean Energy Act; to
2 amend section 13-3206, Reissue Revised Statutes of Nebraska; to
3 change provisions relating to delinquent annual assessments and PACE
4 liens; to repeal the original section; and to declare an emergency.
5 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 13-3206, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 13-3206 (1)(a) For qualifying property other than single-family
4 residential property, any annual assessment imposed on such qualifying
5 property that becomes delinquent, including any interest on the annual
6 assessment and any penalty, shall constitute a PACE lien against the
7 qualifying property on which the annual assessment is imposed until the
8 annual assessment, including any interest and penalty, is paid in full.
9 Any annual assessment that is not paid within the time period set forth
10 in the assessment contract shall be considered delinquent. The
11 municipality shall, within fourteen days after an annual assessment
12 becomes delinquent or, if there is a third-party lender financing the
13 energy project, within fourteen days after receiving notice from such
14 third-party lender that an annual assessment has become delinquent,
15 record a notice of such lien in the office of the register of deeds of
16 the county in which the qualifying property is located. The municipality
17 shall certify the amount of any such delinquency and lien to the county
18 treasurer, and the lien shall be treated as a special assessment in the
19 same manner as special assessments are treated under section 77-1858 and
20 shall be subject to the same collection processes for real estate taxes
21 and special assessments as set forth in Chapter 77, including, without
22 limitation, sections 77-1801 to 77-1863.

23 (b) For qualifying property that is single-family residential
24 property, all annual assessments imposed on such qualifying property,
25 including any interest on the annual assessments and any penalty, shall,
26 upon the initial annual assessment, constitute a PACE lien against the
27 qualifying property on which the annual assessments are imposed until all
28 annual assessments, including any interest and penalty, are paid in full.
29 Any annual assessment that is not paid within the time period set forth
30 in the assessment contract shall be considered delinquent. The
31 municipality shall, upon imposition of the initial annual assessment,

1 record a notice of such lien in the office of the register of deeds of
2 the county in which the qualifying property is located.

3 (2) A notice of lien filed under this section shall, at a minimum,
4 include:

5 (a) The amount of funds disbursed or to be disbursed pursuant to the
6 assessment contract;

7 (b) The names and addresses of the current owners of the qualifying
8 property subject to the annual assessment;

9 (c) The legal description of the qualifying property subject to the
10 annual assessment;

11 (d) The duration of the assessment contract; and

12 (e) The name and address of the municipality filing the notice of
13 lien.

14 (3) The PACE lien created under this section shall:

15 (a) For qualifying property that is single-family residential
16 property, (i) be subordinate to all liens on the qualifying property
17 recorded prior to the time the notice of the PACE lien is recorded, (ii)
18 be subordinate to a first mortgage or trust deed on the qualifying
19 property recorded after the notice of the PACE lien is recorded, and
20 (iii) have priority over any other lien on the qualifying property
21 recorded after the notice of the PACE lien is recorded; and

22 (b) For qualifying property other than single-family residential
23 property and subject to the requirement in subdivision (2)(a) of section
24 13-3205 to obtain and record an executed consent and subordination
25 agreement, have the same priority and status as real property tax liens.

26 (4)(a) Notwithstanding any other provision of law, in the event of a
27 sale pursuant to a foreclosure or a sale pursuant to the exercise of a
28 power of sale under a trust deed relating to qualifying property that is
29 single-family residential property, the holders of any mortgages, trust
30 deeds, or other liens, including delinquent annual assessments secured by
31 PACE liens, shall receive proceeds in accordance with the priorities

1 established under subdivision (3)(a) of this section. In the event there
2 are insufficient proceeds from such a sale, from the loss reserve fund
3 established pursuant to section 13-3208, or from any other means to
4 satisfy the delinquent annual assessments, such delinquent annual
5 assessments shall be extinguished. Any annual assessment that has not yet
6 become delinquent shall not be accelerated or extinguished in the event
7 of a sale pursuant to a foreclosure or a sale pursuant to the exercise of
8 a power of sale under a trust deed relating to qualifying property that
9 is single-family residential property. Upon the transfer of ownership of
10 qualifying property that is single-family residential property, including
11 a sale pursuant to a foreclosure or a sale pursuant to the exercise of a
12 power of sale under a trust deed, the nondelinquent annual assessments
13 shall continue as a lien on the qualifying property, subject to the
14 priorities established under subdivision (3)(a) of this section.

15 (b) Upon the transfer of ownership of qualifying property other than
16 single-family residential property, including a sale pursuant to a
17 foreclosure or a sale pursuant to the exercise of a power of sale under a
18 trust deed, the obligation to pay annual assessments shall run with the
19 qualifying property.

20 (5)(a) For qualifying property other than single-family residential
21 property, when the delinquent annual assessment, including any interest
22 and penalty, is paid in full, a release of the PACE lien shall be
23 recorded in the office of the register of deeds of the county in which
24 the notice of the PACE lien was recorded.

25 (b) For qualifying property that is single-family residential
26 property, when all annual assessments, including any interest and
27 penalty, are paid in full, a release of the PACE lien shall be recorded
28 in the office of the register of deeds of the county in which the notice
29 of the PACE lien was recorded.

30 (6) If the holder or loan servicer of any existing mortgage or trust
31 deed that encumbers or that is otherwise secured by the qualifying

1 property has established a payment schedule or escrow account to accrue
2 property taxes or insurance, such holder or loan servicer may increase
3 the required monthly payment, if any, by an amount necessary to pay the
4 annual assessment imposed under the Property Assessed Clean Energy Act.

5 **Sec. 2.** Original section 13-3206, Reissue Revised Statutes of
6 Nebraska, is repealed.

7 **Sec. 3.** Since an emergency exists, this act takes effect when
8 passed and approved according to law.