

JAN 27 2016

A BILL FOR AN ACT

RELATING TO ENERGY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Chapter 196, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§196- Solar energy device sale or lease agreements; requirements. (a) An agreement governing the financing, sale, or lease of a solar energy device shall:

(1) Be signed by the person buying, financing, or leasing the solar energy device and shall be dated;

(2) Be in at least ten-point type;

(3) Include a provision granting the buyer or lessee the right to rescind the financing, sale, or lease agreement for a period of not less than three business days after the agreement is signed by the buyer or lessee and before the solar energy device is installed;

(4) Provide a description, including the make and model of the solar energy device's major components, or a



1 guarantee concerning energy production output that the
2 solar energy device being sold or leased will provide
3 over the life of the agreement;

4 (5) Separately set forth the following items, if
5 applicable:

6 (A) The total purchase price or total cost to the
7 buyer or lessee under the agreement for the solar
8 energy device over the life of the agreement;

9 (B) Any interest, installation fees, document
10 preparation fees, service fees, or other costs to
11 be paid by the buyer or the lessee of the solar
12 energy device; and

13 (C) If the solar energy device is being financed, the
14 total number of payments, the payment frequency,
15 the amount of the payment expressed in dollars,
16 and the payment due date;

17 (6) Provide a disclosure of all current tax incentives,
18 rebates, or other state or federal incentives for
19 which the buyer or lessee may be eligible and any
20 conditions or requirements pursuant to the agreement



1 to obtain these tax incentives, rebates, or other
2 incentives;

3 (7) Identify the tax obligations that the buyer or lessee
4 may be required to pay as a result of buying, leasing,
5 or financing the solar energy device, including:

6 (A) The assessed value and the property tax
7 assessments associated with the solar energy
8 device calculated in the year that the agreement
9 is signed;

10 (B) Any general excise or other tax obligations that
11 may be assessed against the person buying or
12 leasing the solar energy device; and

13 (C) Any obligation of the buyer or lessee to transfer
14 tax credits or tax incentives of the solar energy
15 device to another person;

16 (8) Disclose whether the warranty or maintenance
17 obligations related to the solar energy device may be
18 sold or transferred to a third party;

19 (9) Include a disclosure, the receipt of which shall be
20 separately acknowledged by the buyer or lessee, if the
21 agreement contains any restrictions on the buyer's or



1 lessee's ability to modify or transfer ownership of
2 the solar energy device, including whether any
3 modification or transfer of ownership is subject to
4 review or approval by a third party; and if
5 modification or transfer of ownership is subject to
6 review or approval by a third party, then the
7 agreement shall:

8 (A) Identify the name, address, and telephone number
9 of the third party; and

10 (B) Provide for updating any change in the third
11 party responsible for reviewing or approving the
12 modification or transfer of ownership;

13 (10) Provide a full and accurate summary of the total costs
14 under the agreement for maintaining and operating the
15 solar energy device over the life of the device,
16 including financing, maintenance, and construction
17 costs related to the device;

18 (11) If the agreement contains an estimate of the buyer's
19 or lessee's future utility charges based on projected
20 utility rates after the installation of the solar
21 energy device, then provide an estimate of the buyer's



1 or lessee's estimated utility charges during the same
2 period as impacted by potential utility rate changes
3 ranging from at least a five per cent annual decrease
4 to at least a five per cent annual increase from
5 current utility costs; and

6 (12) Include a disclosure, the receipt of which shall be
7 separately acknowledged by the buyer or lessee, that
8 states: "Utility rates and utility rate structures
9 are subject to change. These changes cannot be
10 accurately predicted. Projected savings from your
11 solar energy device are therefore subject to change.
12 Tax incentives are subject to change or termination by
13 executive, legislative, or regulatory action."

14 (b) Any agreement governing the financing, sale, or lease
15 of a solar energy device that contains blank spaces affecting
16 the timing, value, or obligations of the agreement in a material
17 manner when signed by the buyer or lessee is void at the option
18 of the buyer or lessee until the solar energy device is
19 installed.

20 (c) Before the maintenance or warranty obligations of a
21 solar energy device under an existing lease, financing, or



1 purchase agreement are transferred, the person who is currently
2 obligated to maintain or warrant the solar energy device shall
3 disclose the name, address, and telephone number of the person
4 who will be assuming the maintenance or warranty of the solar
5 energy device.

6 (d) If the seller's or marketer's marketing materials
7 contain an estimate of the buyer's or lessee's future utility
8 charges based on projected utility rates after the installation
9 of a solar energy device, the marketing materials shall contain
10 an estimate of the buyer's or lessee's estimated utility charges
11 during the same period as impacted by potential utility rate
12 changes ranging from at least a five per cent annual decrease to
13 at least a five per cent annual increase from current utility
14 costs.

15 (e) This section does not apply to any person or company,
16 acting through its officers, employees, or agents, that markets,
17 sells, solicits, negotiates, or enters into an agreement for the
18 sale, financing, or lease of a solar energy device as part of a
19 transaction that involves the sale or transfer of the real
20 property to which the solar energy device is or will be affixed.



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(f) For the purposes of this section, "solar energy device" shall have the same meaning as in section 196-7."

SECTION 2. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

INTRODUCED BY:

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S.B. NO. 3049

Report Title:

Solar Energy Devices; Financing, Lease, or Sale Agreement;
Requirements

Description:

Establishes requirements for financing, lease, or sale agreements for solar energy devices, including the buyer's or lessee's signature, a cancellation period, payment or financing details, disclosure of tax obligations, disclosure of maintenance and operation costs, disclosure of warranty obligations, and disclosure of the potential for variation in utility rates. Does not apply to agreements for financing, lease, or sale agreements for solar energy devices as part of sales or transfers of real property to which the devices are or will be affixed.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

