

HB 215 -- PROPERTY ASSESSMENT CLEAN ENERGY

SPONSOR: DeGroot

This bill changes the provisions of the "Property Assessment Clean Energy (PACE) Act." PACE boards established as of August 28, 2019, may approve eligible improvements according to their established standards but may not approve any new class of improvements until final standards are issued by the Environmental Improvement and Energy Resources Authority (EIERA). Boards must determine the classes of eligible improvements for their districts and are not required to authorize all classes of improvements under the EIERA standards. Boards must adopt, implement, and maintain standards consistent with regulations issued by EIERA within 180 days after the standards become final. EIERA must issue standards for residential projects no later than January, 1, 2020.

The bill modifies the powers of the boards to allow them to employ a program administrator, accept appropriated funds for a participating county or municipality, and approve and finance both residential and commercial projects.

The bill specifies that no individual or corporation may serve as a residential program administrator for a residential PACE program unless licensed by the Division of Finance. Existing residential program administrators must submit to licensing and file an application within 90 days. The Director of the Division of Finance may issue a cease and desist order to any residential program administrator who fails to obtain and maintain a license and registration.

The director may establish reasonable license and annual registration fees for a residential program administrator in the State of Missouri. Neither fee may exceed \$500. All applicants must meet certain requirements including having a designated primary Missouri contact with authority to communicate with the division and its examiners and respond to examination requests; have never had any type of financial services license or registration revoked in any governmental jurisdiction; and be in compliance with Missouri corporate registration requirements to be in good standing and is not delinquent on any Missouri state or local taxes or license fees. Residential program administrators must pass an exam related to the administration of the residential PACE program. The division must conduct exams at least once in 24 months.

The division must investigate any complaint submitted by a PACE board or other government body or official pertaining to the business conduct of a residential program administrator or

compliance with the applicable state residential PACE requirements or applicable residential PACE requirements established by the federal Bureau of Consumer Financial Protection.

The division may suspend or revoke the license of any program administrator that fails to comply with the terms of an order to cease and desist or that fails to pay any license or registration fees or assessments. The division may refer any matter related to the conduct of a residential program administrator to a prosecuting attorney or to the Attorney General.

A clean energy development board or residential program administrator may not approve, execute, submit, or otherwise record any residential assessment contract unless specified criteria is met. The property owner executing a residential PACE assessment contract has a three-day right to cancel the qualifying improvements financing the PACE assessment contract. The property owner executing a residential PACE assessment contract shall be provided a 30-day option to pay the cash price of the residential project plus applicable interest to the cancellation date up to 30 days and a cancellation fee of 3% of the cash price not to exceed \$500 to have the assessment contract canceled and released as paid in full.

The bill also specifies several requirements for the PACE board or residential program administrator to advise a property owner throughout the execution of a residential assessment contract. The board also must maintain a public website with current information about the residential PACE program and a list approved contractors for the residential PACE program. Before a property owner executes an assessment contract the PACE board or residential program administrator must meet several requirements specified in the bill including receiving several oral confirmations from the property owner relating to the contract documents and the requirements contained therein.

The PACE board and residential program administrator may not permit contractors or other third parties to advertise the availability of residential assessment contracts that are administered by the board or residential program administrator, unless the contractor maintains any permits, licenses, or registrations required for engaging in its business in the jurisdiction where it operates and maintains bond and insurance coverage in minimum amounts determined by the board or higher amounts as required in the jurisdiction where the contractor is licensed or registered; and the board or program administrator obtains the contractor's written agreement that the contractor or third party must act in accordance with applicable advertising and marketing laws and regulations. The board or residential program administrator may not provide

payment to a contractor beyond the actual price charged by that contractor or third party to the property owner for qualified improvements financed by an assessment contract, provide to a contractor any information that discloses the maximum amount of funds for which a property owner may be eligible for qualifying improvements or the amount of equity in a property, reimburse a contractor for expenses for advertising and marketing campaigns and collateral that solely benefit the contractor, or provide any payment to a property owner explicitly conditioned upon that property owner entering into an assessment contract. A contractor may not provide a different price for a project financed under the PACE program than the contractor would provide if paid in cash by the property owner.