

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for House Bill No. 2756, Page 1, Section 67.2800, Line 6, by
2 deleting the word "twenty" and inserting in lieu thereof "[~~twenty~~] thirty"; and

3
4 Further amend said bill, Page 3, Section 67.2810, Line 23, by deleting the word "subdivision" and
5 inserting in lieu thereof the word "subdivisions"; and

6
7 Further amend said bill, Page 5, Section 67.2815, Line 19, by deleting the word "twenty" and
8 inserting in lieu thereof "[~~twenty~~] thirty"; and

9
10 Further amend said section, Page 6, Line 67, by inserting after all of said section and line the
11 following:

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13 "67.2817. 1. Notwithstanding any other contractual agreement to the contrary, each
14 assessment contract shall be reviewed, approved, and executed by the clean energy development
15 board and these duties shall not be delegated. Any attempted delegations of these duties shall be
16 void.

17 2. An assessment contract shall not be approved, executed, submitted, or otherwise
18 presented for recording unless a clean energy development board verifies that the following criteria
19 are satisfied:

20 (1) The PACE assessments are assessed in equal annual installments;

21 (2) The PACE assessment may be paid in full at any time without prepayment penalty. The
22 pay-off letter shall specify the amount of any fee or charge by a lender or loan service agent to
23 obtain the total balance due. The release of the assessment shall be recorded within thirty days of
24 the receipt of the amounts identified in the pay-off letter;

25 (3) The assessment contract shall disclose applicable penalties, interest penalties, or late fees
26 under the contract and describe generally the interest and penalties imposed under chapter 140
27 relating to the collection of delinquent property taxes;

28 (4) The clean energy development board shall provide a separate statement to the owner of
29 the residential property of the penalties or late fees authorized under the assessment contract and of
30 the penalties and interest penalties under chapter 140 for the applicable tax collector as of the date of
31 the assessment contract;

32 (5) The clean energy development board has confirmed that the property owner is current on
33 property taxes for the project property;

34 (6) The property that shall be subject to the assessment contract has no recorded and
35 outstanding involuntary liens in excess of one thousand dollars;

36 (7) The property owner shall not currently be a party to any bankruptcy proceeding where

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1 any existing lien holder of the property is named as a creditor;

2 (8) The term of the assessment contract shall not exceed the weighted average useful life of
3 the qualified improvements to which the greatest portion of funds disbursed under the assessment
4 contract is attributable, not to exceed [~~twenty~~] thirty years. The clean energy development board
5 shall determine useful life for purposes of this subdivision based upon credible third-party standards
6 or certification criteria that have been established by appropriate government agencies or nationally
7 recognized standards and testing organizations;

8 (9) The property owner is current on all mortgage debt on the subject property and has no
9 more than one late payment during the twelve months immediately preceding the application date
10 on any mortgage debt; and

11 (10) The clean energy development board shall not enter into an assessment contract or levy
12 or collect a special assessment for a project without making a finding that there are sufficient
13 resources to complete the project and that the estimated economic benefit expected from the project
14 during the financing period is equal to or greater than the cost of the project.

15 3. Any assessment contract for a project that, combined with any existing and outstanding
16 indebtedness secured by the benefitted property, results in a loan-to-value ratio between eighty
17 percent and ninety-seven percent of the true value in money, as determined by the assessor pursuant
18 to chapter 137, plus ten percent of such amount, of the benefitted property prior to the project as
19 determined by reference to the assessment records for tax purposes for the most recent completed
20 assessment by the county, or city not within a county, shall include provision of an insurance policy
21 providing coverage for any remaining cost of fulfilling the assessment contract, including any
22 accumulated interest, in the event the property is foreclosed upon, if such product exists. Such
23 insurance policy shall run with the land in the same manner as the other obligations set forth in the
24 assessment contract.

25 4. The property owner executing the PACE assessment contract shall have a three-day right
26 to cancel the qualifying improvements proposed for financing under the PACE assessment contract.
27 The three-day right to cancel shall expire at midnight of the third business day after a property
28 owner signs the assessment contract. The clean energy development board shall be required to
29 provide a printed form that is presented to the property owner no later than the time of signing of the
30 assessment contract detailing the property owner's right to cancel. An electronic form may be
31 provided if the owner consents electronically to receiving an electronic form.

32 5. Prior to the execution of an assessment contract, the clean energy development board
33 shall advise the property owner in writing that any delinquent assessment shall be a lien on the
34 property subject to the assessment contract and that the obligations under the PACE assessment
35 contract continue as an obligation against the improved property if the property owner sells or
36 refinances the property and that a purchaser or lender may require that before the owner may sell or
37 refinance the property that the owner may be required to pay the assessment contract in full.

38 6. Prior to the execution of an assessment contract, the clean energy development board
39 shall advise the property owner in writing that if the property owner pays his or her property taxes
40 and special assessments via a lender or loan servicer's escrow program, the special assessment will
41 cause the owner's monthly escrow requirements to increase and increase the owner's total monthly
42 payment to the lender or the loan servicer. The clean energy development board shall further advise
43 the property owner that if the special assessment results in an escrow shortage that the owner will be
44 required to pay the shortage in a lump-sum payment or catch up the shortage over twelve months.

45 7. The clean energy development board, within three days of entering an assessment
46 contract, shall provide any holder of a first mortgage loan a copy of the assessment contract and a
47 statement that includes a brief description of the project, the cost of the project, the annual
48 assessment that will be levied, and the number of annual assessments. Transmittal shall be by
49 United States mail to the holder of the first mortgage loan of record.

1 8. The clean energy development board shall maintain a public website with current
2 information about the PACE program as the board deems appropriate to inform consumers regarding
3 the PACE program. The website shall list approved contractors for the PACE program. The website
4 shall disclose the process for property owners or their successors to request information about the
5 assessment contract, the status of the assessment contract, and for all questions including contract
6 information to obtain a payoff amount for the release of an assessment contract.

7 9. The clean energy development board, its agents, contractor, or other third party shall not
8 make any representation as to the income tax deductibility of an assessment.

9 67.2830. 1. A clean energy development board may issue bonds payable from special
10 assessment revenues generated by assessment contracts and any other revenues pledged thereto.
11 The bonds shall be authorized by resolution of the clean energy development board, shall bear such
12 date or dates, and shall mature at such time or times as the resolution shall specify, provided that the
13 term of any bonds issued for a clean energy conduit financing shall not exceed [~~twenty~~] thirty years.
14 The bonds shall be in such denomination, bear interest at such rate, be in such form, be issued in
15 such manner, be payable in such place or places, and be subject to redemption as such resolution
16 may provide. Notwithstanding any provision to the contrary under this section, issuance of the
17 bonds shall conform to the requirements of subsection 1 of section 108.170.

18 2. Any bonds issued under this section shall not constitute an indebtedness of the state or
19 any municipality. Neither the state nor any municipality shall be liable on such bonds, and the form
20 of such bonds shall contain a statement to such effect."; and

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22 Further amend said bill by amending the title, enacting clause, and intersectional references
23 accordingly.