



Missouri House of Representatives

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Missouri House Passes HB 2756, Revising the Property Assessment Clean Energy (PACE) Act to Protect Consumers

JEFFERSON CITY, Mo. – The Missouri House of Representatives has officially passed HB 2756, a significant revision to the state's Property Assessment Clean Energy (PACE) Act. Sponsored by State Representative Michael O'Donnell, this legislation marks a pivotal moment in the state's approach to clean energy initiatives and puts an end to predatory loan practices associated with these consumer products.

Currently, Missouri law provides for residential PACE, which effectively involves the government in collecting debts related to high-interest financing for large-scale energy-efficient home improvements with limited consumer protections. HB 2756 aims to address this issue by making significant changes to PACE. It removes residential properties from the program's scope, recognizing that it may not be suitable for homeowners without access to traditional loans.

The bill provides clarity for residential properties previously approved for the program and expands the authority of the clean energy development board to collaborate with other states and municipalities for the commercial PACE program. Proponents of the legislation have suggested that the use of the taxing and collecting powers of counties by the residential PACE program to be used for the benefit of lenders in such cases is inappropriate.

"The PACE program started with really good intentions, but since has faced significant hurdles in its execution, resulting in troubling consumer protection issues," O'Donnell, R-St. Louis, said. "While we've implemented reforms along the way, challenges persisted, and it's clear that a different approach is needed. HB 2756 would end the residential PACE program in our state, but it does not change the successful commercial function of the PACE program. In fact, the amendments we have added in the House should facilitate an increased use of the program."

"Too many Missourians, especially seniors, have fallen victim to predatory lending practices associated with so-called energy-efficient home improvements," House Speaker Dean Plocher, R-Des Peres, stated. "If these consumers cannot pay, the local governments become debt collectors,

potentially resulting in the loss of one's home to government seizure. House Republicans are dedicated to keeping senior citizens in their homes, and ending this program will help get the government out of the loan collection business."

The passage of HB 2756 signals a positive step forward for Missouri homeowners and consumer protection. The bill now heads to the Senate for further consideration.

Representative Michael O'Donnell, a Republican, represents the southern-most part of St. Louis County (District 95) in the Missouri House of Representatives. He was elected to his first two-year term in November 2018. For more information, please contact Rep. O'Donnell's office at 573-751-3762 or by email at Michael.ODonnell@House.Mo.Gov.

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