

HB 2214 -- PROPERTY ASSESSED CLEAN ENERGY

SPONSOR: Plocher

This bill provides that an assessment contract under Missouri's Property Assessment Clean Energy (PACE) program may last for a period up to 25 years, as opposed to the current 20-year limitation. The bill also provides various definitions for terms used in the PACE program (Section 67.2800, RSMo).

This bill makes all existing financial evaluation, disclosure, and recording requirements applicable only to commercial properties, and then creates separate standards for residential properties.

A PACE program administrator shall not record a PACE contract for a residential property unless the property owner meets certain enumerated financial and credit history standards. A program administrator shall derive market value using an automated valuation model, an appraisal within six months of a PACE application date, or the true value in money. The market value determination shall be disclosed to the residential property owner.

A program administrator shall also determine that a residential property owner has the reasonable ability to satisfy the PACE assessment's annual payment obligations using itemized standards, financial records, and debt obligations. If a property owner is unable to satisfy the PACE assessment payments, and the consumer is obligated under a home improvement contract directly related to the assessment, the program administrator shall be responsible for the difference, unless a program administrator's prior financial determination was based upon a property owner's misrepresentation. However, a program administrator need not determine the current and reasonably expected income or assets of a property owner in the case of emergency or immediate necessity.

The bill also lists various written and oral disclosure requirements for a program administrator and clean energy development board to provide a residential property owner. A property owner shall also have a three-day right to cancel after entering into a PACE assessment contract provided certain requirements are met.

The bill further restricts the advertising and financial relationship between home improvement contractors and program administrators. The bill then lists the required parts of a PACE assessment contract, and states that a PACE assessment contract shall be a lien on the subject residential property.

Clean energy development boards are obligated to report on several

PACE assessment contract related statistics, and to provide such information on their websites. This bill is not to be read to invalidate any contractual obligations incurred by a PACE assessment contract, or to establish any other rights or obligations not expressed by the section (Sections 67.2815 & 67.2817).