

Committee on Community Affairs

CS/CS/SB 770 — Improvements to Real Property

by Fiscal Policy Committee; Community Affairs Committee; and Senator Martin

The bill substantially amends a program authorized in current law, commonly known as the “Property Assessed Clean Energy” or “PACE” program, which allows property owners to make qualifying improvements to real property and finance the cost through annual non-ad valorem tax assessments. Qualifying improvements are those that enhance energy efficiency, renewable energy, wind resistance, and newly added by the bill wastewater treatment, flood and water damage mitigation, and sustainable building improvements.

The bill significantly restructures statutes related to the PACE program in order to enhance certain protections for consumers entering into PACE contracts, ensure oversight for contractors that install improvements, and expand the universe of improvements this financing may be utilized to install. Specifically, the bill:

- Divides commercial and residential PACE programs into separate statutes to provide separate procedures and protections;
- Adds waste system, flood and water damage mitigation, and resiliency improvements to qualified improvements, depending on if the improvement is for a residential or commercial program;
- Provides that a program administrator may only offer a program for financing qualifying improvements to residential or commercial property within the jurisdiction of a county or municipality which has authorized by ordinance or resolution the administration of the program;
- Creates for both residential and commercial financing a list of findings and disclosures, including the ability to pay and certain terms and conditions of the loan, which must precede a financing agreement;
- Sets requirements for program administrators to be able to participate in local programs;
- Requires contractor registration and provides for oversight of behavior of contractors utilized by program administrators to enter and perform contracted services under PACE programs;
- Provides parameters for solicitation and advertising and unenforceable financing agreements; and
- Enacts reporting requirements for program administrators and operational audit requirements to be performed annually by the Auditor General.

The bill allows current contracts, agreements, or other authorization between a county or municipality and a program administrator to continue without additional action.

If approved by the Governor, or allowed to become law without the Governor’s signature, these provisions take effect July 1, 2024.

Vote: Senate 34-2; House 87-24