



SENATE OF PENNSYLVANIA
BILL SUMMARY

Senate Bill 234
Printer's No. 0255

Prime Sponsor: Blake and Reschenthaler
Committee: Community, Economic and Recreational Development

SYNOPSIS:

An Act amending Title 12 (Commerce and Trade) of the Pennsylvania Consolidated Statutes, authorizing assessments for energy improvements in districts designated by municipalities, thereby establishing Pennsylvania's Property Assessed Clean Energy (PACE) program.

SUMMARY:

Senate Bill 234, amends Title 12 (Commerce and Trade), adding a chapter authorizing municipalities or counties to establish a property assessed clean energy program by adoption of an ordinance or resolution. The ordinance or resolution will establish the program, define the district and provide other operational standards and guidelines.

Establishment of a Program:

A County that establishes a program must notify any municipality that may be in the district of their possible inclusion, before a resolution establishing a program is approved. A municipality or county may contract with a third party to administer the program.

Notice to Mortgage Holder:

Before a real property can establish an assessment under the program and begin a local financing or an owner financing of a qualified project, the following shall occur:

- The holder of any first mortgage lien on the property must be given written notice of the real property owner's intention to participate in the program and acknowledge in writing to the property owner and municipality or county that established the program that they have received such notice; and
- The holder of the mortgage lien must provide written consent to the property owner and municipality or county that established the program that the property may participate in the program. Reviews and public notice are required. An assessment and any interest or penalties on the assessment is a first and prior lien on the real property and has the same priority status as a lien for any other tax.

Review Requirement and Verification of Completion:

A program that is established must require a review of each project for energy baseline or water usage baseline and the projected energy savings or water usage reductions in order to establish the projected energy savings or water usage reductions. The municipality or county must be given verification that the project was completed and is operating as intended.

Public Notice:

A municipality or county that establishes a program shall post online and make available to the public a notice of each qualified project financed through an assessment.

Lien, Enforcement and Costs and Expenses:

The lien runs with the land and that portion of the assessment under the assessment contract that has not yet become due is not eliminated by foreclosure of a property tax lien. The assessment cannot be accelerated or extinguished until fully repaid. The assessment lien may be enforced by the municipality or county in the same manner that a property tax lien against real property may be enforced by the municipality or county to the extent the enforcement is consistent with the laws of this Commonwealth. Delinquent installments of the assessments incur interest and penalties in the same manner as delinquent property taxes. A municipality or county may recover costs and expenses, including attorney fees, in a suit to collect a delinquent installment of an assessment in the same manner as in a suit to collect a delinquent property tax.

Collection of assessments:

For the purposes of this section a "District" is defined as an area or group of real properties within a municipality or county, designated by the municipality or county for the purpose of establishing a property assessed clean energy program. The governing body of a municipality or county that establishes a district is required to collect the assessments for that district using their present tax collection process.

Bonds or notes:

"Local Financing" is defined as, financing provided or facilitated by a municipality, county, district, economic development corporation, related authority or any government sponsored entity. This term does not include general obligation bonds. Local financing or owner financing may be used to issue bonds or notes to finance qualified projects in a district. Bonds or notes issued under this chapter may not be general obligations of the municipality or county.

Effective Date: 60 days

BILL HISTORY:

PN 0255 Referred to COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT, Jan. 31, 2017

Prepared by: Zubeck 10/12/2017