



SENATE OF PENNSYLVANIA  
AMENDMENT SUMMARY

Senate Bill 234 Amendment- A04426

Amendment Sponsor: Scavello

Committee: Community, Economic and Recreational Development

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**AMENDMENT SUMMARY:**

- Clarifies definition of “Assessment”: Strikes the base bill’s definition of “assessment” (which would have relied on an increase in the individual property’s real estate tax to be collected by the county or municipality and remitted to repay the PACE financing) and redefines it as a *charge* against the real property within a (PACE) district which is levied and collected by the county or municipality that establishes the district. The assessment is limited to real property whose owner has a written agreement with the governing body that agreed to the assessment. Proceeds can only be used to fund local or owner financing and cannot outlast the terms of said financing. This will also clarify any concerns with the “uniformity clause” of the state constitution.
- Strikes “approved by the authority” in the definition of a “business.”
- Amends the definition of “local financing” to clarify it is a “bond” provided or facilitated by a local governing entity.
- Amends the definition of “owner financing” to clarify it is a “bond” provided by a real property owner.
- Strikes “financial institutions” from definition of “qualified party,” this corrects a drafting error, leaving contractors or subcontractors that meet appropriate standards to perform associated work.
- Adds agricultural properties: Agricultural land or buildings are added to the definition of “real property,” thus making commercial, industrial AND agricultural buildings eligible for PACE programs.
- Ensures local government capacity: Specifies that participating municipalities must have community and or economic development departments to oversee the local program, adds standards and guidelines requiring national energy efficiency standards; criteria to determine eligibility for participation; and other measures to ensure program effectiveness, efficiency and fairness.
- Lien position: The base bill requires notice and consent of a mortgage holders before a PACE assessment can be established. The amendment clarifies that this notice must be given to and consented to by the holder of any existing lien on the real property, not just the holders of first mortgages.

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- Verification of project completion: Amendment requires the municipality or county to obtain verification of project completion from an independent professional inspector or building code official, and strikes the requirement to verify the unit is operating as intended.
- Public notice: Adds a complete project description and bond financing rate to the list of things required to be publicly-posted by the municipality or county.
- Owner failure to pay: In the event the owner fails to pay the assessment, the amendment provides that the assessment due on the property can be discharged, compromised or abated in the same manner as delinquent property taxes.
- Assessment and all project information must be recorded with the title until it is paid off.
- Strikes reference to “notes” and limits local or owner financing to issuance of “bonds.”

Prepared by: Zubeck 10/12/2017

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