

HCS HB 814 -- PROPERTY ASSESSMENT CLEAN ENERGY ACT

SPONSOR: O'Donnell

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Financial Institutions by a vote of 11 to 3. Voted "Do Pass" by the Standing Committee on Rules- Administrative Oversight by a vote of 9 to 4.

The following is a summary of the House Committee Substitute for HB 814.

This bill adds to the list of findings that must be made by a Clean Energy Development Board before it can enter into an assessment contract or levy or collect a special assessment for a residential property project, a finding that the sum of liens and mortgages on the property plus the proposed amount of financing from the Clean Energy Development Board do not exceed 80% of the appraised value of the property combined with any value added by the project.

The provisions of this bill shall apply only to Property Assessment Clean Energy Act (PACE) programs for projects to improve residential properties. Any clean energy development board formed to improve commercial properties, properties owned by nonprofit or not-for-profit entities, governmental properties, or nonresidential properties shall be exempt from the provisions of this bill. The provisions of this bill will not apply to the commercial PACE programs and commercial PACE assessment contracts of any clean energy development board engaged in both commercial and residential property programs. Any clean energy development board that ceases to finance new projects to improve residential properties before January 1, 2022, will be exempt from the of this bill.

This bill is similar to HB 2586 (2020).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPOSERS: Supporters say that this is a consumer protection bill by requiring that an appraisal be incorporated into the PACE program and prevents borrowers from going into more debt than what the property is worth.

Testifying for the bill were Representative O'Donnell; Missouri County Collectors Association; Missouri Realtors; Missouri Bankers Association; and Heartland Credit Union Association.

OPPOSERS: Those who oppose the bill say that the PACE program was

designed to allow individuals to borrow against their equity and then pay off their debt over the lifetime of the product. Additionally, it is claimed that the limit in bill is too strict. Opponents also say that placing these limitations on the program may force some individuals to switch to high interest rate credit cards to pay for products.

Testifying against the bill were Arnie Dienoff; Sierra Club Missouri Chapter; Renew Missouri Advocates; and Ygrene Energy Fund.

OTHERS: Others testifying on the bill provided online written statements.

Testifying on the bill was Show Me PACE.

Written testimony has been submitted for this bill. The full written testimony can be found under Testimony on the bill page on the House website.