Agenda Item: **5A**-

# PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

## **AGENDA ITEM SUMMARY**

Meeting Date: Au	gust 19, 2025	[	]	Consent Ordinance	[ ] [X]	Regular Public Hearing
Department Submitted By: County Administration Submitted For: Office of Resilience		•	•		E4	•

## I. EXECUTIVE BRIEF

**Motion and Title: Staff recommends motion to adopt:** an Ordinance of the Board of County Commissioners (BCC) of Palm Beach County, Florida, amending Palm Beach County Code, Chapter 17, Article XVII, (Ordinance 2017-012 as amended by 2022-030) section 17-504 through section 17-508, regarding the Property Assessed Clean Energy (PACE) Program; providing for a savings clause; providing for repeal of laws in conflict; providing for severability; providing for inclusion in the code of laws and ordinances; providing for enforcement; providing for penalties; providing for captions; and providing for an effective date.

**Summary:** On July 1, 2024, 2024-273 Florida Statute went into effect, updating the requirements of the PACE program in Florida. This revision included updates to definitions, increased consumer protections, increased consumer disclosure requirements, expanded the qualifying improvements of the program, clarified that PACE program administrators may only offer PACE financing in counties or municipalities that have authorized them to do so, and bifurcated residential and commercial program requirements. Staff is recommending updates to the Palm Beach County PACE Ordinance to maintain compliance and consistency with the state law. Staff has met with local PACE representatives multiple times to collaborate on these efforts. Additionally, staff has worked with the Tax Collector's Office on these recommendations. Countywide (RM)

Background and Policy Issues: Section 163.08, Florida Statutes, authorizes local governments to create PACE programs that fund energy efficiency, renewable energy, wind resistance, septic-to-sewer, and other resiliency improvements for residential and commercial properties. Through PACE, property owners within a participating district can finance a qualified project through a voluntary non-ad valorem assessment on their annual property tax bill. Failure to pay the PACE assessment may result in the loss of property subject to the PACE assessment, similar to failing to pay one's property taxes. In 2017, the BCC established a PACE program in the County, which is applicable within unincorporated areas of the County and within all municipalities that have not adopted their own PACE ordinance or resolution. In 2022, the BCC amended the PBC PACE Ordinance to increase consumer protections, standardize consumer disclosure requirements, differentiate commercial and non-commercial program requirements, and set administrative fees.

#### Attachments:

- 1. Amended PACE Ordinance
- 2. Summary of Proposed Changes
- 3. Estimated Business Impact

Recommended by	: Men SHoutz	5-16-25
-	Department Director	Date
Approved by:	Pal	6/23/25
•	Deputy County Administrator	Date

## **II. FISCAL IMPACT ANALYSIS**

A. Five-Year Summary of Fiscal Impact:

Fiscal Years		2025	2026	2027	2028	2029
Capital Expend	itures	0				
Operating Cost	s	0				
External Reven	ues	0			MC14Vmlos	<del></del>
Program Incom	e (County)	0				
In-Kind Match (	County)	0		******		
NET FISCAL IM	PACT	0	0	0		0
# ADDITIONAL POSITIONS (Co		0	0	0	0	0
Is the item inclu	uded in the C	urrent Budge	et?	Yes	NoX	
Does this item	include the u	se of federal	funds?	Yes	NoX	
Does this item i	include the u	se of state fu	nds?	Yes	NoX	
Budget Accoun	t No.:					
EXP: Fund	Departme	ent Unit	Objec	t Progra	am	
REV: Fund	Departme	nt Unit	RSRC	Progi	ram	
	ecommended o fiscal impac		Funds/Summ	ary of Fiscal II	mpact:	
C. D	epartment Fi	scal Review:	Shin	5/1	125	
		III. REVI	EW COMMEN	<u>TS</u>		
A. O	FMB Fiscal a	ınd /or Contra	act Dev. and (	Control Comm	ents:	
ō	ASTOLIC	_5/22/2 1-5/22/2		MM/s	MacMontro	20,5/2425
B. Le	<i>۱۸</i> egal Sufficieı	of 5/112 ncy:				
<u> </u>	ssistant Cou	nty Attorney	<u> </u>	2/25		
c. o	ther Departm	nent Review:				
<u>n</u>	epartment Di	rector				

## ORDINANCE NO. 20\_\_\_-

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, AMENDING PALM BEACH COUNTY CODE, CHAPTER 17, ARTICLE XVII, (ORDINANCE 2017-012), SECTION 17-504 THROUGH SECTION 17-507, REGARDING THE PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM TO CONFORM WITH THE AMENDED "PACE" STATUTE; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING FOR REPEAL OF LAWS IN CONFLICT; PROVIDING FOR SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE OF LAWS AND ORDINANCES; PROVIDING FOR ENFORCEMENT; PROVIDING FOR PENALTIES; PROVIDING FOR CAPTIONS; AND PROVIDING FOR AN EFFECTIVE DATE.
18	WHEREAS, Property Assessed Clean Energy (PACE) programs for Residential and
19	Commercial Properties have been established across the country to provide mechanisms for
20	funding energy efficiency, renewable energy, and other types of improvements to Residential
21	and Commercial properties; and
22	WHEREAS, PACE Programs in Florida were established by the Florida Legislature's
23	adoption of Section 163.08, Florida Statutes (the "PACE Statute") in 2010, and
24	WHEREAS, the Board of County Commissioners (the "Board") adopted a PACE
25	Ordinance (Ordinance 2017-030) in 2017 to authorize and regulate the operation of PACE
26	programs within the County; and
27	WHEREAS, the Board of County Commissioners amended the PACE ordinance
28	through the adoption of Ordinance 2022-030 to clarify and strengthen qualifications and
29	consumer protection disclosure requirements for PACE Programs for Residential and
30	Commercial Properties that provide financing for Qualifying
31	Improvements in accordance with Section 163.08, Florida Statutes; and
32	WHEREAS, on June 28, 2024, the Governor of Florida signed into law Senate Bill
33	770, which amended Section 163.08, Florida Statutes, and added Sections 163.081 through
34	163.087 to the PACE Statute; and
35	WHEREAS, Senate Bill 770 made certain additions and amendments to the PACE
36	Statute for the purposes of, but not limited to, improving the operation of PACE programs
37	overall, clarifying and strengthening consumer protections, reaffirming local government's

2	confinercial PACE programs, and
3	WHEREAS, the additions and amendments to the PACE Statute have created certain
4	inconsistencies with the County's PACE Ordinance that must be addressed by updating
5	language in the Ordinance; and
6	WHEREAS, the Board of County Commissioners of Palm Beach County, pursuant to
7	its authority under the Florida Constitution, Article VIII, Section 1(g), Section 125.01, Florida
8	Statutes, and the Palm Beach County Charter, hereby adopts the following amendments to the
9	Palm Beach County Property Assessed Clean Energy (PACE) Ordinance (Ordinance 2017-
10	012).
11	
12	NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY
13	COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:
14	Section 1. Chapter 17, Article XVII, Section 17-504, entitled "DEFINITIONS" is hereby
15	amended as follows:
16	For purposes of this Ordinance, the following words and phrases shall have the
17	following meanings:
18	•••
19	(5) Qualifying Improvements shall mean energy conservation and efficiency, renewable energy
20	and wind resistance improvements as defined by F.S. § 163.08, as may be amended by law
21	(6) PACE Third-Party Administrator shall mean the an entity defined administering the PACE
22	Program and operating on behalf of the PACE Agency/Authority/District. The Third-Party
23	Administrator is an entity contracted with a PACE Agency/Authority/District to perform
24	administrative functions, including, but not limited to, processing PACE financing
25	applications and determining eligibility by F.S. § 163.08, as may be amended.
26	(7) PACE Agencies/Authorities/Districts Program Administrator shall mean an entity as
27	defined by F.S. § 163.08, as may be amended. one or more local governments defined in
28	F.S. § 163.08 (2)(a), authorized by Palm Beach County to offer PACE financing for
29	Qualifying Improvements.
30	(8) PACE Program shall mean the County's provision through interlocal agreements with
31	PACE Program Administrators Agencies/Authorities/Districts offering financing for
32	Qualifying Improvements as approved by the State of Florida pursuant to the PACE Statute  Coding: Words in strike through type are deletions from existing text. Words in underscored type are additions.

authority to regulate PACE programs, distinguishing the operations of residential and

- F.S. § 163.08, further defined in this Ordinance, as may be amended by law.
- 2 (9) PACE Statute shall mean sections F.S. § 163.08 through § 163.087 of the Florida Statutes
- 3 and all future amendments thereto.
- 4 (10) Residential Property is defined by F.S. § 163.08, as may be amended by law. shall mean
- 5 a residential property consisting of four (4) or fewer residential dwelling units.
- 6 (11) Non-Residential Commercial Property is defined by F.S. § 163.08, as may be amended by
- 7 <u>law.</u> shall mean commercial, industrial, agricultural, mixed use and residential properties
- 8 consisting of five (5) or more residential dwelling units.
- 9 Section 2. Chapter 17, Article XVII, Section 17-505, entitled "PACE PROGRAM
- 10 AUTHORIZATION" is hereby amended as follows:
- 11 (1) PACE Program Administrators Agencies/Authorities/Districts and Third Party
- 12 Administrators offering financing for Qualifying Improvements on Residential and Non-
- Residential Properties pursuant to this Ordinance shall be approved by the County and
- authorized through interlocal agreements to provide financing subject to the requirements
- of this Ordinance and the PACE Statute. A resolution indicating the County's desire to join
- 16 a PACE <u>Program Administrators Agencies/Authorities/Districts</u> and Third-Party
- Administrators shall be prepared by County staff and presented to the Board for
- consideration with each interlocal agreement. The interlocal agreements shall include
- 19 specific terms and conditions for PACE <u>Program Administrators</u>
- 20 Agencies/Authorities/Districts and Third-Party Administrators to operate within Palm
- 21 Beach County.
- 22 (2) PACE Program Administrators Agencies/Authorities/Districts and Third-Party
- Administrators desiring to provide financing pursuant to this Ordinance shall provide
- sufficient documentation as requested by the County to provide reasonable assurance that
- 25 the requirements of this Ordinance and the PACE Statute can be met by the PACE Program
- 26 <u>Administrators Agencies/Authorities/Districts and Third-Party Administrators. Document</u>
- 27 requests shall include but are not limited to a list of Qualifying Improvements, standard
- financing agreements, consumer protection provisions, and certificates of insurance. PACE
- 29 <u>Program Administrators Agencies/Authorities/Districts</u> and Third-Party Administrators
- shall comply with reasonable requests for data and business practices within 90 days,
- 31 consistent with state and federal law.

1	Section 3. Chapter 17, Article XVII, Section 17-506, entitled "DISCLOSURE
2	REQUIREMENTS" is hereby amended as follows:
3	(1) For Residential Properties, In in addition to any disclosure requirements in the PACE
4	Statute, PACE Program Administrators Agencies/Authorities/Districts and Third-Party
5	Administrators that extend financing pursuant to the PACE Statute and levy non-ad
6	valorem assessments to fund Qualifying Improvements must have the property owner sign
7	a separate, written notice. PACE Program Administrators Agencies/Authorities/Districts
8	and Third-Party Administrators must disclose to property owners essential terms in a
9	"Residential Consumer Disclosure Notice" that must be pre-approved by the County. The
10	County will not unreasonably withhold approval. The Residential Consumer Disclosure
11	Notice must be a consolidated summary of the following information:
12	(a) The estimated total amount of the debt, including amount financed, fees, fixed interest
13	rate, capitalized interest and the effective rate of the interest charged ("Annual
14	Percentage Rate" or "APR");
15	(b)(a) That PACE Program Administrators Agencies/Authorities/Districts and Third-Party
16	Administrators may only offer fixed simple interest rates and payments that fully
17	amortize the obligation. Variable or negative amortization financing terms are not
18	permitted. Capitalized interest included in the original balance of a PACE financing
19	agreement does not constitute negative amortization-;
20	(c) The repayment process and terms, amounts and a schedule that fully amortizes the
21	amount financed including the estimated annual PACE assessment;
22	(d) That the PACE assessment will appear on the property owner's tax bill;
23	(e)(b) That there is no discount for paying the PACE assessment early;
24	(f) The nature of the lien recorded and that the PACE assessment will be collected in the
25	same manner as real estate taxes. That failure to pay the PACE assessment may cause
26	a tax certificate to be issued against the property, and that failure of payment thereof
27	may result in the loss of property subject to the PACE assessment, including homestead
28	property, in the same manner as failure to pay property taxes;
29	(g)(c) The specific improvements to be financed and installed and that such That the
30	Qualifying Improvements improvements and PACE assessment may or may not affect
31	the overall value of the property;

1	(h)(d) A PACE assessment payment term that does not exceed the userul life of the
2	improvements, as determined by reputable third-party sources, including, but not
3	limited to, the U.S. Department of Energy;
4	(i) The right of pre-payment without penalty;
5	(j) Notice that the property owner may be required to pay any PACE assessment in full at
6	the time of refinance or sale of the property;
7	(k)(d) The property owner has at least a three-day right to cancel the financing. PACE
8	Program Administrators Agencies/Authorities/Districts and Third-Party
9	Administrators must furnish to the property owner a notice of the right to rescind the
10	PACE financing agreement. The property owner may exercise the right to rescind until
11	midnight of the third business day following the execution of the agreement by giving
12	notice to the other party by either certified or registered mail, electronic mail, fax
13	machine, phone call, or any other method approved by the PACE Program
14	Administrators Agencies/Authorities/Districts and Third-Party Administrators;
15	(1)(e) The property owner has a three-day right to cancel a home improvement contract per
16	F.S. § 520.72;
17	(mf) In the event of an emergency, property owners may waive their right to the PACE
18	financing agreement three-day right to cancel to allow PACE contractors to begin the
19	project. For the purposes of this section, an emergency is defined as a situation that
20	poses an immediate threat to the health, safety, or well-being of the property owner and
21	requires immediate abatement by the installation of a Qualifying Improvement. The
22	property owner may waive their right to the three-day right to cancel for emergencies
23	either through the Consumer Disclosure Notice or by giving notice by either certified
24	or registered mail, or electronic mail, fax machine, phone call, or any other method
25	approved by the PACE Agencies/Authorities/Districts and Third-Party Administrators;
26	(ng) An emergency waiver option for the three-day right to cancel;
27	(o)(h) Except as required by law, PACE Program Administrator
28	Agencies/Authorities/Districts and Third-Party Administrators may not disclose or permi
29	disclosure to a PACE contractor or third-party engaged in soliciting financing agreement
30	of the maximum amount of the PACE financing for which a property owner is eligible;
31	(p)(i) That the County has programs that property owners may qualify for to fund
32	improvements, such as the Weatherization Assistance Programs. The County retains

1	the right to provide information about County programs within and/or in addition to
2	the Residential Consumer Disclosure Notice, which the PACE
3	Agencies/Authorities/District and Third-Party Administrator must provide to the
4	homeowner; and
5	(q)(j) That before the PACE three-day right to cancel ends, the Program
6	Administrators Agencies/Authorities/Districts or Third-Party Administrators will
7	speak with the property owner or authorized representative to review the terms of the
8	PACE financing agreement and confirm that the property owner understands the
9	financial implications and communicate all essential terms including what the
10	Consumer Disclosure Notice requires. The PACE Agencies/Authorities/Districts or
11	Third-Party Administrators will conduct the conversation in the property owner's
12	preferred language. The PACE Program Administrators Agencies/Authorities/Districts
13	or Third-Party Administrators will record the "confirm terms" call, unless the property
14	owner declines to be recorded. If the property owner declines to be recorded, the PACE
15	entity must take detailed notes of the conversation to demonstrate compliance with the
16	"confirm terms" requirement; and
17	(k) These notices are required pursuant Palm Beach County's PACE Ordinance, and are
18	made in addition to what PACE Program Administrators are required to disclose under
19	the PACE Statute. Property Owners are encouraged to review the County's PACE
20	Ordinance and the PACE Statute for a complete list of definitions, consumer
21	protections, guidelines and requirements; and
22	(#1) Contact information for the PACE <u>Program Administrators</u>
23	Agencies/Authorities/Districts or Third-Party Administrator, including the name,
24	phone number, and email (if applicable).
25	(2) For Commercial Non-Residential Properties under \$250,000 for the total amount of thea
26	PACE assessment, in addition to any disclosure requirements in the PACE Statute, PACE
27	Program Administrators Agencies/Authorities/Districts-and Third-Party Administrators
28	that extend financing pursuant to the PACE Statute and levy non-ad valorem assessments
29	to fund the Qualifying Improvements shall have the property owner sign a separate, written
30	notice. PACE Program Administrators Agencies/Authorities/Districts and Third-Party
31	Administrators must disclose to property owners essential terms in a "Commercial Non-
32	Residential Consumer Disclosure Notice" that must be pre-approved by the County. The

1	County will not unreasonably withhold approval. The Commercial Non-Residential
2	Consumer Disclosure Notice must be a consolidated summary of the following
3	information:
4	(a) The estimated total amount of the debt, including amount financed, fees, fixed or
5	variable interest rate, capitalized interest and the effective rate of the interest charged
6	<del>(APR);</del>
7	(b)(a) That PACE Program Administrators Agencies/Authorities/Districts and Third-Party
8	Administrators may only offer payments that fully amortize the obligation. Negative
9	amortization financing terms are not permitted. Capitalized interest included in the
10	original balance of a PACE financing does not constitute negative amortization;
11	(c) The repayment process and terms, amounts and a schedule that fully amortizes the
12	amount financed including the estimated annual PACE assessment;
13	(d)(b) That the PACE assessment will appear on the property owner's tax bill;
14	(e)(c) That there is no discount for paying the PACE assessment early;
15	(f)(d) The nature of the lien recorded and that the PACE assessment will be collected in
16	the same manner as real estate taxes. That failure to pay the PACE assessment may
17	cause a tax certificate to be issued against the property, and that failure of payment
18	thereof may result in the loss of property subject to the PACE assessment in the same
19	manner as failure to pay property taxes;
20	(g)(e) The specific improvements to be financed and installed and that such That the
21	Qualifying Improvements improvements and PACE assessment may or may not affect
22	the overall value of the property;
23	(h) A PACE assessment payment term that does not exceed the useful life of the
24	improvements, as determined by reputable third-party sources, including, but not
25	limited to, the U.S. Department of Energy;
26	(i)(f) Notice that the property owner may be required to pay any PACE assessment in full
27	at the time of refinance or sale of the property;
28	(i)(g) The 3-day right to cancel the financing. PACE Agencies/Authorities/Districts and
29	Third-Party Administrators must furnish to the property owner a notice of the right to
30	rescind the PACE financing agreement. The property owner may exercise the right to
31	rescind until midnight of the third business day following the execution of the

1	agreement by giving notice to the other party by either certified or registered mail,
2	electronic mail, fax machine, or a recorded phone call;
3	(kh) In the event of an emergency, property owners may waive their right to the PACE
4	financing agreement three-day right to cancel to allow PACE contractors to begin the
5	project. For the purposes of this section, an emergency is defined as a situation that
6	poses an immediate threat to the health, safety or well-being of the property owner and
7	requires immediate abatement by the installation of a Qualifying Improvement. The
8	property owner may waive their right to the three-day right to cancel for emergencies
9	either through the Consumer Disclosure Notice or by giving notice by either certified
10	or registered mail, or electronic mail, fax machine, phone call, or any other method
11	approved by the PACE Agencies/Authorities/Districts and Third-Party Administrators;
12	(li) An emergency waiver option for the three-day right to cancel; and
13	(kj) These notices are required pursuant Palm Beach County's PACE Ordinance, and are
14	made in addition to what PACE Program Administrators are required to disclose under
15	the PACE Statute. Property Owners are encouraged to review the County's PACE
16	Ordinance and the PACE Statute for a complete list of definitions, consumer
17	protections, guidelines and requirements.
18	
19	(m)(k) Contact information for the PACE <u>Program Administrator</u>
20	Agencies/Authorities/District or Third-Party Administrator, including the name, phone
21	number, and email (if applicable).
22	(3) Commercial Non-Residential PACE Program Administrators
23	Agencies/Authorities/Districts and Third-Party Administrators providing PACE financing
24	in the amount of \$250,000 or greater for the total PACE assessment are not required to
25	provide disclosures a Consumer Disclosure Notice that is consistent with F.S. § 163.08, as
26	may be amended by lawthe PACE Statute. Additionally, However, they are required to
27	conform to the following obligations:
28	(a) That PACE <u>Program Administrators</u> Agencies/Authorities/Districts and Third-Party
29	Administrators may only offer payments that fully amortize the obligation. Negative
30	amortization financing terms are not permitted. Capitalized interest included in the
31	original balance of a PACE financing does not constitute negative amortization; and

1	(b) That PACE Agencies/Authorities/Districts and Third-Party Administrators may only
2	provide a PACE assessment payment term that does not exceed the useful life of the
3	improvements, as determined by reputable third-party sources, including, but not
4	limited, to the U.S. Department of Energy.
5	(4) For both Residential and Commercial Non-Residential where applicable, PACE Program
6	Administrators Agencies/Authorities/Districts or Third Party-Administrators must submit
7	updated Consumer Disclosure Notices that incorporate the updated Palm Beach County-
8	approved consumer protection language for review and approval by the County. Once
9	approved by the County, PACE Agency/Authority/District or Third Party-Administrators
10	must fully implement and utilize the approved Palm Beach County-approved Consumer
11	Disclosure Notice within one hundred and eighty (180) days of notice of approval.
12	(5) A copy of the Consumer Disclosure Notices must be provided to the property owner either
13	by electronic mail or hard copy by the PACE Program Administrator
14	Agencies/Authorities/District or Third Party Administrator within the 3-day right to cancel
15	period (which applies to Commercial Non-Residential Properties under \$250,000 for the
16	total amount of the PACE assessment and Residential), and must be signed and dated by
17	the property owner prior to or contemporaneously with the property owner's signing of any
18	legally enforceable documents under the PACE Program. Upon the property owner's
19	request, the PACE Program Administrator Agencies/Authorities/District or Third-Party
20	Administrator must provide the property owner with a hardcopy of the Consumer
21	Disclosure Notice within the three-day right to cancel. The property owner and the PACE
22	Program Administrator Agencies/Authorities/District or Third-Party Administrator must
23	keep the signed Consumer Disclosure Notice with the property owner's executed financing
24	agreement.
25	(6) The PACE <u>Program Administrator Agencies/Authorities/District</u> or Third-Party
26	Administrator shall provide the signed Consumer Disclosure Notice to, where applicable,
27	the Palm Beach County Office of Resilience and the Palm Beach County Tax Collector in
28	electronic format within five (5) business days after execution of the PACE financing
29	agreement.
30	(7) The PACE <u>Program Administrator Agencies/Authorities/District</u> and Third-Party
31	Administrator shall record, or cause to be recorded, the financing agreement or a summary

memorandum of the financing agreement, in accordance with F.S. § 163.08-(8).

2	PROPERTIES/PROGRAM REQUIREMENTS" is hereby amended as follows:
3	(a) As defined in the PACE Statute, PACE <u>Program Administrators</u>
4	Agencies/Authorities/Districts and Third-Party Administrators that extend financing
5	pursuant to the PACE Statute and levy non-ad valorem assessments to fund the Qualifying
6	Improvements shall comply with the following: terms in the subsections below.
7	Subsections apply to both Residential and Commercial Non-Residential Properties except
8	where the subsection specifically refers to Residential or Non-Residential.
9	(1)Residential Property. PACE Program Administrators Agencies/Authorities/Districts
10	and Third-Party Administrators may finance Qualifying Improvements on Residential
11	Properties provided they comply with the following criteria inclusive of all eligibility
12	criteria listed in the PACE Statute and all future amendments thereto, along with additional
13	consumer protections:
14	(a) Without the consent of the holders or loan servicers of any mortgage encumbering or
15	otherwise secured by the property, the total amount of any non-ad valorem assessment
16	for a property under the PACE Statute may not exceed twenty (20) percent of the
17	just/fair market value of the property as determined by the county property appraiser,
18	excepted as otherwise provided by statute;
19	(b) All property taxes and other assessments levied on the property tax bill have been paid
20	and have not been delinquent for the preceding three years, or the property owner's
21	period of ownership, whichever is less;
22	(c) There are no involuntary liens, including but not limited to construction liens on the
23	<del>property;</del>
24	(d) No notices of default or other evidence of property-based debt delinquency have been
25	recorded during the preceding three (3) years, or the property owner's period of
26	ownership, whichever is less;
27	(e) All mortgage debt on the property is current and not delinquent;
28	(f) (a) All mortgage-related debt on the underlying property may not exceed ninety (90)
29	percent of the property's Fair Market Value;
30	(g) (b) The total mortgage-related debt on the underlying property plus the PACE Program
31	financing may not exceed the Fair Market Value of the property; and

Section 4. Chapter 17, Article XVII, Section 17-507, entitled "ELIGIBLE

1	(h) The total estimated annual payment amount for the PACE assessment does not exceed
2	10 percent of the property owner's annual household income determined using
3	sufficient and credible documentation, for example using adjusted gross income from
4	a recent tax return; and
5	(i) (c) That the property owner is not currently in bankruptcy proceedings.
6	(2) Non-Residential Commercial Properties. PACE Program Administrators
7	Agencies/Authorities/Districts and Third-Party Administrators may finance Qualifying
8	Improvements on Commercial Non-Residential Properties provided they comply with the
9	eligibility criteria listed in the PACE Statute and all future amendments thereto, along with
10	the following consumer protections:
11	(a) Without the consent of the holders or loan servicers of any mortgage encumbering or
12	otherwise secured by the property, the total amount of any non-ad valorem assessment
13	for a property under the PACE Statute may not exceed twenty percent (20%) of the just
14	value of the property as determined by the county property appraiser, excepted as
15	otherwise provided by statute;
16	(b) All property taxes and other assessments levied on the property tax bill have been paid
17	and have not been delinquent for the preceding three years, or the property owner's
18	period of ownership, whichever is less;
19	(e) (a) There are no involuntary liens, including but not limited to construction liens on the
20	property; and
21	(d) (b) No notices of default or other evidence of property-based debt delinquency have
22	been recorded during the preceding three years, or the property owner's period of
23	ownership, whichever is less.;
24	(e) All mortgage debt on the property is current and not delinquent; and
25	(f) That the property owner is not currently in bankruptcy proceedings.
26	(3) Qualifying Improvements. The PACE <u>Program Administrators</u>
27	Agencies/Authorities/Districts and Third-Party Administrator will finance Qualifying
28	Improvements energy efficiency, renewable energy and wind resistant improvements that are
29	permanently affixed to the property as more specifically described in the PACE Statute. All
30	improvements and products should identify efficiency standards established by the U.S.
31	Department of Energy, the U.S. Environmental Protection Agency, or Florida state agencies
32	as applicable. All Qualifying Improvements must comply with the PACE Statute for energy

- 1 efficiency, renewable energy, and wind resistance or other improvements as permissible by
- 2 law. PACE Program Administrators Agencies/Authorities/Districts and Third-Party
- 3 Administrators shall establish procedures confirming that the property owner applying for
- 4 financing through the PACE Program Administrators Agencies/Authorities/Districts and
- 5 Third-Party Administrators intends to install Qualifying Improvements, and that at the time of
- 6 funding such improvements have been installed.
- 7 (4) Inquiries and Complaints.
- 8 a. Complaints. PACE Program Administrators Agencies/Authorities/Districts and Third-
- 9 Party Administrators are required to receive, manage, track, timely resolve, and report on
- 10 complaints from property owners regarding the funded work performed by the contractors.
- 11 PACE <u>Program Administrators Agencies/Authorities/Districts</u> and Third-Party Administrators
- must investigate and mediate disputes between property owners and contractors in a timely
- manner.
- b. Payment inquiries. PACE Program Administrators Agencies/Authorities/Districts and
- 15 Third-Party Administrators are required to respond to inquiries and resolve any issues in a
- 16 timely manner, related to payments, including but not limited to prepayments and payment
- 17 reconciliation.
- 18 c. Review. In the event that ten percent or more of a PACE Program Administrator
- 19 Agencies/Authorities/Districts and or Third-Party Administrator's projects result in complaints
- or disputes, or such complaints or disputes remain unresolved six (6) months after completion
- 21 of a project, the County may review the PACE Program Administrator
- 22 Agencies/Authorities/Districts and Third-Party Administrator's handling of complaints and
- 23 may request corrective actions or initiate suspension proceedings pursuant to Section 17-
- 24 508(1).
- 25 (5) Data Security. PACE Program Administrators Agencies/Authorities/Districts and Third-
- 26 Party Administrators are responsible for taking security measures that protect the security and
- 27 confidentiality of consumer records and information in proportion to the sensitivity of the
- information, and as required by state and federal law.
- 29 (6) Consumer Privacy. PACE Program Administrators Agencies/Authorities/Districts and Third-
- 30 Party Administrators must develop and maintain a privacy policy that complies with local, state,
- and federal law and, in particular, shall provide a property owner the ability to opt-out of having
- the property owner's information shared with third\_parties, except where expressly permitted by Coding: Words in <u>strike through</u> type are deletions from existing text. Words in underscored type are additions.

1	local, state, and federal law.
2	•••
3	(8) Protected Classes. PACE Program Administrators Agencies/Authorities/Districts and Third-
4	Party Administrators shall not discriminate against individuals on the basis of race, color
5	ancestry, disability, national origin, religion, age, familial status, marital status, sex, gender, sexua
6	orientation, gender identity and expression, or genetic information.
7	(9) Contractor Management.
8	(a) No contractor shall contract for or install any Qualifying Improvement pursuant to the
9	PACE program unless the contractor is properly licensed, registered, certified, or
10	otherwise legally authorized to perform such work. A PACE Program Administrator
11	Agency/Authority/District or Third-Party Administrator may not finance Qualifying
12	Improvements that are installed by contractors that a PACE Program Administrator
13	Agency/Authority/District or Third-Party Administrator knows, or should know, are
14	not properly licensed, registered, certified, or otherwise legally authorized to perform
15	such work. PACE Agencies/Authorities/Districts and Third-Party Administrators
16	must obtain the contractor's written agreement that the contractor shall comply with
17	each of the following conditions:
18	1. Be licensed and insured pursuant to the applicable state and local requirements;
19	2. Agree to comply with all program requirements and marketing guidelines; and
20	3. Act in good faith to timely resolve property owner complaints.
21	(b)PACE <u>Program Administrators</u> <u>Agencies/Authorities/Districts</u> and Third-Part
22	Administrators for Residential Properties must execute a contractor agreement with al
23	contractors for which they intend to use to complete Residential PACE projects. PACI
24	Program Administrators and Third-Party Administrators will use a process established by
25	Palm Beach County, or use a process established by a program administrator that i
26	approved by Palm Beach County, to register a qualifying improvement contractor fo
27	participation in the PACE Program. The contractor agreement must address at a minimum
28	the following:
29	1. Agree to not present a higher price for a Qualifying Improvement on financed b
30	a PACE financing agreement than the contractor would otherwise reasonably

a PACE financing agreement than the contractor would otherwise reasonably present if the Qualifying Improvement were not being financed through a PACE financing agreement;

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1	2. Branding and/or marketing guidelines, including imposing enhanced monitoring
2	at a minimum for contractors found to have violated the marketing and
3	communications provisions;
4	3. Consumer protection code of conduct for the contractor;
5	4. PACE training for contractors that the contractor must attend in order to become
6	an eligible contractor; and
7	5. Suspension and termination provisions.
8	(c) Kickbacks. PACE Program Administrators Agencies/Authorities/Districts and Third-Party
9	Administrators shall have and shall strictly enforce anti-kickback policies and
10	procedures that prohibit direct financial or other monetary incentives to contractors in
11	exchange for or related to such contractor being awarded work under a PACE Program,
12	excepting payment for the contractor's installation of Qualifying Improvements.
13	1. Any person or entity who accepts, provides or facilitates kickback payments
14	or incentives in exchange for work being awarded under a PACE pProgram
15	commits a violation of this ordinance.
16	(d) For Residential and Commercial Non-Residential Projects Less than \$250,000, before
17	disbursing funds to a PACE contractor, PACE Program Administrators
18	Agencies/Authorities/Districts or Third-Party Administrators must first confirm the
19	applicable work or service has been completed in a manner that is consistent with the
20	PACE Statute., either through written certification from the property owner, a
21	recorded telephone call with the property owner, time-stamped and geo-tagged photos,
22	or a site inspection through third-party means. For Non-Residential Projects equal to
23	or larger than \$250,000, PACE Agencies/Authorities/Districts and Third-Party
24	Administrators shall disburse funds in accordance with the terms of their finance
25	agreement.
26	10. Financing. PACE Program Administrators Agencies/Authorities/Districts and Third-Party
27	Administrators must establish pricing rules and enforcement mechanisms to ensure property owners
28	are protected from excessive or unjustified prices and charges. In addition, PACE Program
29	Administrators Agencies/Authorities/Districts and Third-Party Administrators must require
30	compliance with each of the following conditions prior to the issuance of any final disbursement to
31	the contractor:

(a) Contractors have certified that any necessary permits have been obtained;

- (b) Verification that the Qualifying Improvements have been installed; and
- 2 (c) The property owner and the contractor have signed a final inspection and/or certificate
- of completion that all improvements have been installed to the property owner's
- 4 satisfaction.

- 5 (11) Reporting. Each PACE Program Administrator Agencies/Authorities/District and Third-
- 6 Party Administrator must provide a report to the County on a quarterly calendar basis, due 30 days
- 7 following the close of the quarter. Each PACE Program Administrator
- 8 Agencies/Authorities/District and Third-Party Administrator shall utilize the County-supplied
- 9 spreadsheet for the report. This spreadsheet shall not be modified, though additional information
- may be supplied in a separate spreadsheet. In addition to the reporting requirements contained in
- 11 the PACE Statute, the The quarterly reports shall include, at a minimum, the following
- 12 information:

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- (g) Assumptions and methodologies used for energy savings, renewable energy, cost per kilowatt hour saved/generated, other resource savings, audits, and jobs calculations
- under this subsection, including third-party sources and methodologies. Describe any
- changes in the methodologies and assumptions from the previous reporting period. If
- available, PACE Program Administrators Agencies/Authorities/Districts and Third-
- 19 Party Administrators shall use nationally accepted standardized assumptions and
- 20 methodologies so that reporting is consistent. If no national standards are available,
- 21 PACE <u>Program Administrators Agencies/Authorities/Districts</u> and Third-Party
- Administrators shall work with the County to agree upon and use the same assumptions
- and methodologies so that the County has a consistent data. If the PACE <u>Program</u>
- 24 <u>Administrators Agencies/Authorities/Districts</u> and Third-Party Administrators are
- unable to agree on uniform assumptions and methodologies, the County reserves the
- right to cite reputable, nationally recognized standard assumption and methodology
- sources for these calculations that the PACE <u>Program Administrators</u>
- Agencies/Authorities/Districts and Third-Party Administrators must use within 90 days
- of receipt, going forward with data collection;

30 ...

- 31 (13) Incomplete Data or Late Reporting. In the event any PACE Program Administrator
- Agencies/Authorities/District or Third-Party Administrator fails to provide complete data Coding: Words in <u>strike through</u> type are deletions from existing text. Words in underscored type are additions.

1 or provide reports by the stated due dates, they will be given 60 days to cure the defect, 2 after which written notice will be given prior to any administrative act to suspend. The 3 suspension will take place 30 days after this notice is given. After such defect, any new 4 project starts from the PACE Program Administrator Agencies/Authorities/District or 5 Third-Party Administrator of which the reports are incomplete will be suspended until the

complete data is provided. The right to cure is an option before suspension or termination

7 will occur. Suspension will be done by the County Administrator or designee.

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(14) Administrative Fees. PACE Program Administrators Agencies/Authorities/Districts and Third-Party Administrators will be responsible for paying administrative fees to the County on an annual basis. The Board will establish fees for administrative tasks carried out by County staff, including interlocal agreements, indemnification agreement for new PACE Program Administrators Agencies/Authorities/Districts and Third-Party Administrators, Residential projects funded during the year, and Commercial Non-Residential projects funded during the year. PACE Program Administrators Agencies/Authorities/Districts and Third-Party Administrators shall send an annual summary of all projects completed within that year and provide a payment per project to the County.

## 17 Section 5. Chapter 17, Article XVII, Section 17-508, entitled "ENFORCEMENT" is hereby created as follows:

(1) Suspension Termination PACEProgram Administrators orof Agencies/Authorities/District and Third-Party Administrators. In the event any PACE Agency/Authority/District or Third-Party Administrator fails to incorporate and continually provide for all of the foregoing service components or to otherwise abide by the provisions of this Ordinance and/or the interlocal agreement the County, in its sole discretion, may suspend or terminate the interlocal agreement or by other means prohibit a PACE Agency/Authority/District or Third-Party Administrator from operating in the County's jurisdiction and support of the County at any time upon written notice to that Program Administrator Agencies/Authorities/District **PACE** Third-Party Administrators. Suspension, termination or prohibition will be done by the County Administrator or designee. Any project that has been initiated or received PACE financing as of the time of suspension or termination shall be permitted to be completed, and continue until such time that all outstanding debt has been satisfied.

2	All local laws and ordinances in conflict with any provisions of this Ordinance are
3	hereby repealed to the extent of such conflict.
4	Section 7. SAVINGS CLAUSE:
5	Notwithstanding the section of this ordinance regarding repeal of laws in conflict, all
6	administrative and court orders, fines, and pending enforcement issued pursuant to this
7	authority and procedures established by Chapter 17, Article XVII, of the Palm Beach County
8	Code shall remain in full force and effect.
9	Section 8. SEVERABILITY:
10	If any section, paragraph, sentence, clause, phrase or word of this Ordinance is for any
11	reason held by a Court of competent jurisdiction to be unconstitutional, inoperative, or void,
12	such holding shall not affect the remainder of this Ordinance.
13	Section 9. INCLUSION IN THE CODE OF LAWS AND ORDINANCES:
14	The provisions of this Ordinance shall become and be made a part of the Palm Beach
15	County Code. The sections of this Ordinance may be renumbered or relettered to accomplish
16	such, and the word Ordinance may be changed to section, article, or other appropriate word.
17	Section 11. PENALTY:
18	Any violation of any portion of this Ordinance shall be punishable as provided by law.
19	Section 12. CAPTIONS:
20	The captions, section headings and section designations used in this Ordinance are for
21	convenience only and shall have no effect on the interpretation of the provisions of this
22	Ordinance.
23	Section 13. EFFECTIVE DATE:
24	The provisions of this Ordinance shall become effective adoption by the Board of
25	County Commissioners and filing with the Department of State.
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Section 6. REPEAL OF LAWS IN CONFLICT:

1	APPROVED and ADOPTED by the Board of County Commissioners of Palm
2	Beach County, Florida, on this the day of, 20
3	
4	JOSEPH ABRUZZO, CLERK PALM BEACH COUNTY, FLORIDA, BY ITS
5	BOARD OF COUNTY COMMISSIONERS
6	
7	
8	<b>D</b>
9	By:
10	Deputy Clerk Maria G. Marino, Mayor
11	
12	
13 14	
15	APPROVED AS TO FORM AND
16	LEGAL SUFFICIENCY
17	
18	
19	
20	By:
21	County Attorney
22	
23	EFFECTIVE DATE: Filed with the Department of State on the day of
24	



## County Administration Office of Resilience

2300 North Jog Road, 4th Floor West Palm Beach, FL 33411-2741 (561) 233-2400

www.pbc.gov/resilience

Palm Beach County Board of County Commissioners

Maria G. Marino, Mayor

Sara Baxter, Vice Mayor

Gregg K. Weiss

Joei G. Flores

Marci Woodward

Maria Sachs

Bobby Powell Jr.

County Administrator

Verdenia C. Baker

"An Equal Opportunity Affirmative Action Employer"

Official Electronic Letterhead

TO:

Palm Beach County Board of County Commissioners

FROM:

Megan Houston, Director, Office of Resilience

THRU:

Patrick Rutter, Deputy County Administrator

DATE:

April 9, 2025

SUBJECT:

Palm Beach County Property Assessed Clean Energy Program

Proposed Ordinance Amendments Summary

#### I. Background

Section 163.08, Florida Statutes, authorizes local governments to create Property Assessed Clean Energy (PACE) programs that fund energy efficiency, renewable energy, wind resistance, septic-to-sewer, and other resiliency improvements for residential and commercial properties. Through PACE, property owners within a participating district can finance a qualified project through a voluntary non-ad valorem assessment on their annual property tax bill. Failure to pay the PACE assessment may result in the loss of property subject to the PACE assessment, similar to failing to pay one's property taxes.

In 2017, the Board of County Commissioners (BCC) established a PACE program in Palm Beach County (PBC), which is applicable within unincorporated areas of the County and within all municipalities that have not adopted their own PACE ordinance or resolution. In 2022, the BCC amended the PBC PACE Ordinance to increase consumer protections, standardize consumer disclosure requirements, differentiate commercial and non-commercial program requirements, and set administrative fees. The PBC Office of Resilience (OOR) oversees the County's PACE Ordinance to ensure PACE provider compliance with local regulations and handles consumer complaints regarding PACE.

On July 1, 2024, 2024-273 Florida Statutes went into effect, updating the PACE requirements of programs that operate in Florida. OOR is recommending updates to the PBC PACE Ordinance to bring it into compliance with the new State Statute. OOR staff have met with local PACE representatives and the Tax Collector's Office to collaborate on these recommendations. During the PACE industry meetings, several PACE industry stakeholders asked for additional revisions. OOR explained that any revisions beyond statutory compliance would require Board of County Commissioners (BCC) direction.

PBC OOR is only proposing Ordinance changes that are necessary to align with the statute. **Thus, there is no estimated economic impact on businesses.** OOR staff will be presenting the proposed Ordinance amendments to the BCC on June 3, 2025. This memo summarizes the proposed PBC Ordinance amendments and areas where PACE providers raised additional concerns.

Page 1 of 4

#### OOR Memo, continued



#### II. State Statute Major Updates

- Separates Commercial and Residential PACE programs with different procedures and protections;
- Adds waste system projects like septic-to-sewer, flood and water damage mitigation, and resiliency improvements to Qualifying Improvements, depending on whether the improvement is for a Residential or Commercial program;
- Clarifies that PACE providers may only offer PACE within the jurisdiction of a county or municipality that has authorized the administration of the program;
- Creates a list of findings and disclosures, including a Residential ability-to-pay provision;
- For Residential projects, requires a contractor approval process;
- Provides parameters for solicitation, advertising, and unenforceable financing agreements; and
- Enacts reporting requirements for Program Administrators and operational audit requirements to be performed annually by the Auditor General.

## III. Proposed PBC Ordinance Amendments Summary

- Removal of Definitions Covered by Statute
- Removal of Disclosures Covered by Statute
  - o Disclosure Requirements Residential
    - Estimated total amount of debt.
    - Repayment process and terms.
    - Warning of PACE assessment that failure to pay could cause a loss of property.
    - Specific improvements to be financed.
    - Payment term doesn't exceed the useful life of the improvements.
    - Right of pre-payment without penalty.
    - Three-day right to cancel the financing.
  - o Disclosure Requirements Commercial Under \$250,000
    - Estimated total amount of debt.
    - Repayment process and terms.
    - Specific improvements to be financed.
    - Payment term doesn't exceed the useful life of the improvements.
  - Disclosure Requirements Commercial at least \$250,000
    - Payment term doesn't exceed the useful life of the improvements.

#### OOR Memo, continued



- Removal of Program Requirements Covered by Statute
  - o Residential
    - Requirement of mortgage lender consent for PACE deal to exceed 20% of the property's fair market value.
    - The property is current on its mortgage and property taxes.
    - There are no involuntary liens or property-based debt delinquencies
    - The estimated annual payment doesn't exceed 10% of the property owner's annual household income.

#### o Commercial

- Requirement of mortgage lender consent for PACE deal to exceed 20% of the property's fair market value.
- The property is current on its mortgage and property taxes.
- The property owner isn't in bankruptcy.

#### IV. Updates Necessary to Align with State or Clarify

- Requires PACE providers to submit the consumer disclosure notice for the County's review and approval, where required.
- Clarifies that only Residential and Small Commercial projects have to provide the consumer disclosure notice to the property owner within the 3-day right to cancel.
- Requires a process to register a Qualifying Improvement contractor to participate in the PACE program.
- Requires PACE providers to confirm the work has been done in a manner consistent with the State Statute.
- Explains that the State Statute has additional protections and disclosures that property owners should review.

# V. Where PBC Ordinance Remains Stricter Than State Statute for Commercial Properties

- A Commercial project cannot have involuntary liens on the property. The State has a \$5,000 minimum.
- There can be no notices of default during the prior three years or the owner's period of ownership, whichever is less. The State only prohibits defaults that have been "recorded and not been released."

Page 3 of 4

#### OOR Memo, continued



- The PACE financing terms must be fully amortized. The State doesn't prohibit negative amortization.
  - PACE providers have asked to allow for "interest-only" periods, which is common practice in commercial construction lending.
- The PBC Ordinance allows a three-day right to cancel for Small Commercial projects.
- Contractors have to be licensed.
- PACE providers have to establish pricing rules and enforcement mechanisms to ensure property owners are protected from excessive or unjustified prices and charges.
- A requirement that property owners and contractors have signed a final inspection and/or certificate of completion that all improvements have been installed to the property owner's satisfaction.

Please contact me with any questions or concerns at <a href="mishouston@pbc.gov">mshouston@pbc.gov</a> or (561) 681-3812.

May S Houston

Best regards,

Megan S. Houston

#### **BUSINESS IMPACT ESTIMATE**

Meeting Date: June 3, 2025

Proposed Ordinance Title/Reference: Amendment #2 to PACE Ordinance

## Summary of Proposed Ordinance and Statement of Public Purpose to be Served:

On July 1, 2024, 2024-273 Florida Statutes went into effect, updating the requirements of the Property Assessed Clean Energy (PACE) program in Florida. This revision included updates to definitions, increased consumer protections, increased consumer disclosure requirements, expanded the qualifying improvements of the program, clarified that PACE program administrators may only offer PACE financing in counties or municipalities that have authorized them to do so, and bifurcated residential and commercial program requirements. Staff is recommending updates to the PBC PACE Ordinance to bring the PBC PACE Ordinance into compliance with the new State Legislation

#### **Estimate of Direct Economic Impact on Private/For Profit Businesses:**

- a. Estimate of Direct Business Compliance Costs: Exemption 1 applies.
- b. New Charges/Fees on Businesses Impacted:
- c. Estimate of Regulatory Costs:

Good Faith Estimate of Number of Businesses Likely Impacted:

Any Additional Information:

#### **INSTRUCTIONS**

Before the enactment of a proposed ordinance, the Board of County Commissioners shall prepare or cause to be prepared a business impact estimate in accordance with this section 125.66(3), Florida Statutes.

#### **Posting**

The business impact estimate must be posted on the County's website no later than the date the notice of proposed enactment is published pursuant to section 125.66(2)(a), Florida Statutes.

#### **Exemptions**

The business impact requirement does not apply to the following:

- 1. Ordinances required for compliance with federal or state law or regulation;
- 2. Ordinances relating to the issuance or refinancing of debt;
- 3. Ordinances relating to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget;
- 4. Ordinances required to implement a contract or an agreement, including, but not limited to, any federal, state, local, or private grant, or other financial assistance accepted by a county government;
- 5. Emergency ordinances;
- 6. Ordinances relating to procurement; or
- 7. Ordinances enacted to implement the following:
  - a. Development orders and development permits, as those terms are defined in section 163.3164, Florida Statutes, and development agreements, as authorized by the Florida Local Government Development Agreement Act under sections 163.3220–163.3243;
  - b. Comprehensive plan amendments and land development regulation amendments initiated by an application by a private party other than the municipality;
  - c. Sections 190.005 and 190.046;
  - d. Section 553.73, relating to the Florida Building Code; or
  - e. Section 633.202, relating to the Florida Fire Prevention Code.

#### Resolutions

Resolutions proposed pursuant to a non-exempt ordinance must include a business impact estimate.