



Overview of Property Assessed Clean Energy Programs

Presented to:

Assembly Local Government Committee Hon. Susan Talamantes Eggman, Chair and

Assembly Banking and Finance Committee Hon. Matthew Dababneh, Chair





Property Assessed Clean Energy (PACE) Programs

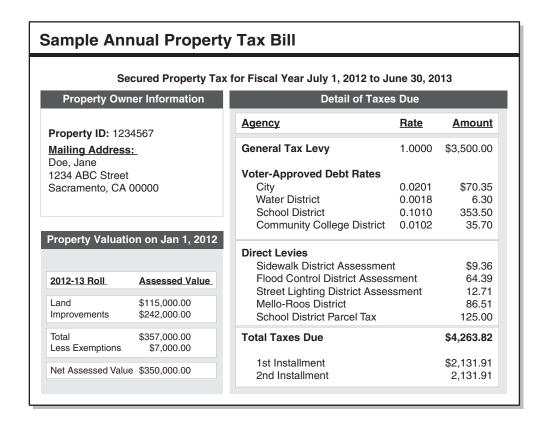
- Local Governments May Establish PACE Programs
- PACE Programs Establish Finance Mechanism for Improvements
 - Improvements are installed on real property.
 - Possible improvements include installing renewable energy sources, electric vehicle charging infrastructure, or energy or water efficiency upgrades.
- Two Options for Establishing Programs
 - Local governments may designate areas within their jurisdiction where property owners may enter into voluntary contractual assessments to finance installation.
 - Local governments may form community facilities districts which can levy special taxes—typically parcel taxes—to finance installation.
- Assessments and Special Taxes Levied Under PACE Programs Are Liens Against the Properties



Improvements Paid Through Property Taxes



Property Owners Pay Assessments and Special Taxes as Part of Property Tax Bill





Liens Have Differing Priorities



State Law Gives Property Taxes Priority for Payment

- In general, charges on a property tax bill have priority over all other liens on a property, regardless of the time those liens are created.
- In the event of foreclosure, property taxes typically must be paid first.



PACE Programs in California

- Hundreds of Local Governments Have Authorized PACE Programs
- Typically, PACE Programs Administered by a Third Party Administrator