

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

—————
A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS - PROPERTY ASSESSED CLEAN
ENERGY PROGRAM

Introduced By: Senator Daniel DaPonte

Date Introduced: January 18, 2017

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 39-26.5-6 of the General Laws in Chapter 39-26.5 entitled
2 "Property Assessed Clean Energy Program" is hereby amended to read as follows:

3 **39-26.5-6. Priority of PACE lien.**

4 (a) A PACE lien on a residential property shall be: subordinate to all liens on the
5 residential property in existence at the time the residential PACE lien is filed; subordinate to a
6 first mortgage on the residential property recorded after such PACE lien is filed; and superior to
7 any other lien on the residential recorded after such PACE lien is filed. This subsection shall not
8 affect the status or priority of any other municipal or statutory lien.

9 (b) At the time of a transfer of property ownership of a residential property, including by
10 foreclosure, the past due balances of any special assessment under this chapter shall be due for
11 payment. In the event of a foreclosure action, the past due balances shall include all payments on
12 a PACE assessment that are due and unpaid as of the date of the foreclosure. Unless otherwise
13 agreed by the PACE lender, all payments on the PACE assessment that become due after the date
14 of transfer by foreclosure or otherwise shall continue to be secured by a PACE lien on the PACE
15 property and shall be the responsibility of the transferee.

16 (c) A PACE lien on a commercial property shall be: senior to all liens on the commercial
17 property in existence at the time the PACE lien is filed, subject to the consent of the senior
18 mortgage holder on the property; senior to all liens filed or recorded after the time the PACE lien

1 is created; but junior to a municipal tax lien.

2 (d) At the time of a transfer of property ownership of a commercial property, including
3 by foreclosure [or tax sale](#), the past due balances of any PACE assessment under this chapter shall
4 be due for payment. Unless otherwise agreed by the PACE lender, all payments of PACE
5 assessments that become due after the date of transfer by foreclosure, [tax sale](#), or otherwise shall
6 be secured by a PACE lien on the PACE property and shall be the responsibility of the transferee.

7 SECTION 2. This act shall take effect on January 1, 2017.

=====
LC000789
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS - PROPERTY ASSESSED CLEAN
ENERGY PROGRAM

- 1 This act would include a tax sale as a transfer of property ownership that would trigger
- 2 the past due balances of any PACE assessment.
- 3 This act would take effect on January 1, 2017.

=====
LC000789
=====