
Wisconsin Legislative Council

AMENDMENT MEMO



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2021 Senate Bill 692

Senate Amendments 1 and 2, and Senate Amendment 1 to Senate Amendment 2

2021 SENATE BILL 692

2021 Senate Bill 692 makes a number of changes to the property assessed clean energy (PACE) program. The PACE program allows a city, village, town, or county (political subdivision) to make a loan or enter into an agreement regarding loan repayments to a third party for financing, to the owner or lessee of a premises for certain clean energy projects. The political subdivision may collect the loan repayment as a special charge. Very generally, the bill: (1) expands the types of projects eligible for PACE financing; (2) changes the requirements for accessing that financing; and (3) changes the timing of when a lien attaches to the property.

With respect to requirements for accessing financing under the PACE program, the bill provides that the written consent required under the program is required from all holders of a “mortgage” in order to receive PACE financing.

With respect to the timing of when a lien attaches to the property, current law provides that an installment loan under the PACE program becomes a lien on the benefitted property once the **installment payment is delinquent**. The bill changes the timing of when this lien attaches to either of the following: (1) the **date of the making of the loan**; or (2) the **date of entry into the agreement**. The bill also specifies that the lien runs with the land.

SENATE AMENDMENT 1

Under Senate Amendment 1 (SA 1), PACE financing is only available for residential properties containing at least five dwelling units or a nonresidential property.

SENATE AMENDMENT 2

Senate Amendment 2 (SA 2) makes the following changes to the bill:

- Specifies that the “amounts due” under the loan or agreement may be collected as a special charge. Current law provides that the political subdivision may collect the “loan repayment” as a special charge.
- Specifies the date to which the lien attaches to property benefitting from financing under the PACE program. Under SA 2, the lien attaches to the property on either of the following: (1) **the date of the initial funding of the loan**; or (2) **the date of the agreement**.
- Clarifies that written consent is only required from holders of a “mortgage of record.”

- Refers to the specific activities for which financing under the PACE program may be obtained as a “project.” Under current law, these purposes are referred to as an “improvement or application.”
- Makes organizational and technical changes to provisions that are renumbered under the bill.

SENATE AMENDMENT 1 TO SA 2

Senate Amendment 1 to SA 2 makes two changes to the amendment:

- Deletes changes made by the bill and SA 2 related to the timing of when a lien attaches to property benefitting from the PACE program. Under the amendment to SA 2, a lien attaches to such property when an installment payment is **delinquent**, just as it does under current law. The amendment to SA 2 retains the provisions under the bill that the lien runs with the land.
- Makes technical changes to more precisely cross-reference the statutory provision that lists the types of projects for which financing is available under the PACE program.

BILL HISTORY

Senator Cowles introduced SA 1 on January 7, 2022; SA 2 on January 14, 2022; and Senate Amendment 1 to SA 2 on February 7, 2022. On February 11, 2022, the Senate Committee on Government Operations, Legal Review, and Consumer Protection voted to recommend adoption of SA 1 by a vote of Ayes, 4; Noes, 1. The committee also voted to recommend adoption of Senate Amendment 1 to SA 2 by a vote of Ayes, 5; Noes, 0; and then recommend adoption of SA 2, as amended, by a vote of Ayes, 5; Noes, 0. The committee then voted to recommend passage of the bill, as amended, by a vote of Ayes, 5; Noes, 0.

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