

**CITY OF BALTIMORE**  
**ORDINANCE \_\_\_\_\_**  
**Council Bill 16-0692**

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Introduced by: Councilmember Costello, President Young, Councilmembers Scott, Middleton, Henry, Holton, Stokes, Clarke, Spector, Kraft, Mosby, Curran, Welch, Reisinger, Branch  
At the request of: CBJ Energy, c/o Claire B. Johnson, President  
Address: 238 East Montgomery Street,, Baltimore, Md. 21320  
Telephone: (443) 226-0273  
Introduced and read first time: June 6, 2016  
Assigned to: Judiciary and Legislative Investigations Committee  
Committee Report: Favorable with amendments  
Council action: Adopted  
Read second time: October 20, 2016

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**AN ORDINANCE CONCERNING**

**Property Assessed Clean Energy Loan Program**

FOR the purpose of establishing a Property Assessed Clean Energy Loan Program (“PACE Loan Program”) to assist qualifying commercial property owners to finance energy improvements through non-accelerating PACE Loans from participating private lenders; authorizing the City to collect PACE Loan payments owed to a private lender, as well as certain PACE Program administrative costs, through a surcharge on the property owner’s real property tax bill; providing that an unpaid surcharge constitutes a lien on the real property on which it is imposed; providing for the scope of and eligibility for participation in the PACE Loan Program; providing for the administration of the PACE Loan Program; establishing default procedures; defining certain terms; and providing for a special effective date.

BY adding

Article 28 - Taxes  
Sections 30-1 through 30-8, to be under the new subtitle,  
“Subtitle 30. Property Assessed Clean Energy Loan Program”  
Baltimore City Code  
(Edition 2000)

**SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That the Laws of Baltimore City read as follows:

**Baltimore City Code**

**Article 28. Taxes**

**SUBTITLE 30. PROPERTY ASSESSED CLEAN ENERGY LOAN PROGRAM**

**EXPLANATION:** CAPITALS indicate matter added to existing law.  
[Brackets] indicate matter deleted from existing law.  
Underlining indicates matter added to the bill by amendment.  
~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from existing law by amendment.

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**§ 30-1. DEFINITIONS.**

(A) *IN GENERAL.*

IN THIS SUBTITLE, THE FOLLOWING TERMS HAVE THE MEANINGS INDICATED.

(B) *ADMINISTRATOR.*

“ADMINISTRATOR” MEANS THE CONTRACTOR SELECTED UNDER § 30-3 {“PROGRAM ADMINISTRATION”} OF THIS SUBTITLE TO ADMINISTER THE PACE LOAN PROGRAM FOR THE CITY.

(C) *CLEAN ENERGY LENDER.*

“CLEAN ENERGY LENDER” MEANS A PRIVATE LENDER WHO PROVIDES A CLEAN ENERGY LOAN TO A COMMERCIAL PROPERTY OWNER UNDER THIS SUBTITLE.

(D) *CLEAN ENERGY LOAN.*

“CLEAN ENERGY LOAN” MEANS A NON-ACCELERATING LOAN MADE UNDER THIS SUBTITLE BY A CLEAN ENERGY LENDER TO THE OWNER OF A COMMERCIAL PROPERTY.

(E) *COMMERCIAL PROPERTY.*

(1) *IN GENERAL.*

“COMMERCIAL PROPERTY” HAS THE MEANING STATED IN THE ENABLING LAW.

(2) *ILLUSTRATIONS.*

“COMMERCIAL PROPERTY” INCLUDES ANY INDUSTRIAL, MULTI-FAMILY RESIDENTIAL (~~4 OR MORE~~ THAN 4 DWELLING UNITS), NON-PROFIT, INSTITUTIONAL, OR AGRICULTURAL PROPERTY THAT MEETS THE ELIGIBILITY REQUIREMENTS OF THIS SUBTITLE.

(F) *ENABLING LAW.*

“ENABLING LAW” MEANS THE STATE’S LOCAL GOVERNMENT ARTICLE, TITLE 1, SUBTITLE 11 {“CLEAN ENERGY LOAN PROGRAMS”}.

(G) *ENERGY EFFICIENCY PROJECT.*

“ENERGY EFFICIENT PROJECT” MEANS THE INSTALLATION OF NEW OR REPLACEMENT FIXTURES, PRODUCTS, DEVICES, EQUIPMENT, SYSTEMS, MATERIALS, OR MEASURES THAT:

- (1) INCREASE A COMMERCIAL PROPERTY’S ENERGY OR WATER EFFICIENCY;
- (2) DECREASE A COMMERCIAL PROPERTY’S ENERGY OR WATER CONSUMPTION; OR
- (3) REDUCE A COMMERCIAL PROPERTY’S UTILITY COSTS.

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1 (H) *ENERGY IMPROVEMENT.*

2 “ENERGY IMPROVEMENT” MEANS AN ENERGY EFFICIENCY PROJECT OR RENEWABLE  
3 ENERGY PROJECT THAT QUALIFIES UNDER THIS SUBTITLE.

4 (I) *FINANCE DIRECTOR.*

5 “FINANCE DIRECTOR” MEANS THE DIRECTOR OF THE CITY DEPARTMENT OF FINANCE OR  
6 THAT DIRECTOR’S DESIGNEE.

7 (J) *FINANCING AGREEMENT.*

8 “FINANCING AGREEMENT” MEANS AN AGREEMENT BETWEEN A PROPERTY OWNER AND A  
9 CLEAN ENERGY LENDER THAT PROVIDES FOR THE TERMS AND CONDITIONS OF A CLEAN  
10 ENERGY LOAN.

11 (K) *INCLUDES; INCLUDING.*

12 “INCLUDES” OR “INCLUDING” MEANS BY WAY OF ILLUSTRATION AND NOT BY WAY OF  
13 LIMITATION.

14 (L) *PACE LOAN PROGRAM; PROGRAM.*

15 “PACE LOAN PROGRAM” OR “PROGRAM” MEANS THE PROPERTY ASSESSED CLEAN  
16 ENERGY LOAN PROGRAM ESTABLISHED UNDER THIS SUBTITLE.

17 (M) *PERSON.*

18 “PERSON” MEANS:

19 (1) AN INDIVIDUAL;

20 (2) A PARTNERSHIP, FIRM, ASSOCIATION, CORPORATION, GOVERNMENTAL AGENCY, OR  
21 OTHER ENTITY OF ANY KIND; AND

22 (3) A RECEIVER, TRUSTEE, GUARDIAN, PERSONAL REPRESENTATIVE, FIDUCIARY, OR  
23 REPRESENTATIVE OF ANY KIND.

24 (N) *PROPERTY OWNER.*

25 “PROPERTY OWNER” MEANS THE OWNER OF A NEW OR EXISTING COMMERCIAL PROPERTY  
26 LOCATED IN THE CITY.

27 (O) *RENEWABLE ENERGY PROJECT.*

28 (1) *IN GENERAL.*

29 “RENEWABLE ENERGY PROJECT” MEANS THE INSTALLATION OF NEW OR  
30 REPLACEMENT RENEWABLE ENERGY TECHNOLOGIES, DEVICES, OR SYSTEMS THAT

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1 GENERATE ELECTRIC OR THERMAL ENERGY WITH A NAMEPLATE CAPACITY  
2 AUTHORIZED BY THE ENABLING LAW.

3 (2) *ILLUSTRATIONS.*

4 “RENEWABLE ENERGY PROJECTS” INCLUDES PROJECTS THAT GENERATE THERMAL OR  
5 ELECTRICAL ENERGY BY USING NATURAL RESOURCES SUCH AS SOLAR, WIND, BIOMASS,  
6 LANDFILL GAS, MUNICIPAL SOLID WASTE, MARINE OR HYDROKINETIC, OR GEOTHERMAL  
7 RESOURCES.

8 (P) *SURCHARGE.*

9 “SURCHARGE” MEANS THE REPAYMENT OBLIGATION OF A CLEAN ENERGY LOAN,  
10 INCLUDING PRINCIPAL, INTEREST, AND ADMINISTRATIVE COSTS, COLLECTED FROM A  
11 PROPERTY OWNER THROUGH THE CITY’S PROPERTY TAX BILLING SYSTEM.

12 **§ 30-2. PACE PROGRAM ESTABLISHED.**

13 AS AUTHORIZED BY THE ENABLING LAW, THERE IS A PROPERTY ASSESSED CLEAN ENERGY  
14 LOAN PROGRAM FOR BALTIMORE CITY.

15 **§ 30-3. PROGRAM ADMINISTRATION – IN GENERAL.**

16 (A) *NATURE OF CITY’S ROLE.*

17 THE MAYOR AND CITY COUNCIL OF BALTIMORE:

18 (1) SERVES ONLY AS A PACE LOAN PROGRAM SPONSOR, FACILITATING THE  
19 REPAYMENT OF CLEAN ENERGY LOAN OBLIGATIONS THROUGH THE CITY’S  
20 PROPERTY TAX BILLING SYSTEM; AND

21 (2) IS NOT AT ANY TIME LIABLE FOR ANY CLEAN ENERGY LOAN OBLIGATION  
22 AUTHORIZED BY THIS SUBTITLE.

23 (B) *SELECTION OF ADMINISTRATOR.*

24 ~~THE~~ SUBJECT TO THE APPROVAL OF THE BOARD OF ESTIMATES AND TO ANY APPLICABLE  
25 REQUIREMENTS IMPOSED BY OR ADOPTED UNDER CITY CHARTER ARTICLE VI, § 11  
26 {“PROCUREMENT”}, ~~THE~~ FINANCE DIRECTOR, IN CONSULTATION WITH THE BALTIMORE  
27 CITY OFFICE OF SUSTAINABILITY, SHALL CONTRACT FOR A PROGRAM ADMINISTRATOR,  
28 EITHER:

29 (1) BY EXPANDING THE SCOPE OF AN EXISTING MUNICIPAL CONTRACT VEHICLE;

30 (2) THROUGH A COMPETITIVE PROCUREMENT PROCESS;

31 (3) BY USING AN EXISTING ADMINISTRATOR CONTRACTED THROUGH A COOPERATIVE  
32 PURCHASING AGREEMENT OF THE WASHINGTON METROPOLITAN COUNCIL OF  
33 GOVERNMENTS; OR

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1 (4) BY ENTERING INTO AN AGREEMENT WITH A PRIVATE ENTITY TO ADMINISTER THE  
2 PACE LOAN PROGRAM.

3 (C) *PROGRAM EXPENSES.*

4 (1) *COSTS.*

5 (I) THE ADMINISTRATIVE COSTS OF THE PACE LOAN PROGRAM SHALL BE BORNE BY  
6 THE PROPERTY OWNERS PARTICIPATING IN THE PROGRAM, AND THE SHARE OF  
7 ADMINISTRATIVE COSTS APPLICABLE TO AN INDIVIDUAL CLEAN ENERGY LOAN  
8 SHALL BE INCLUDED IN THE LOAN'S FINANCING AGREEMENT.

9 (II) THESE ~~ADMINISTRATION~~ ADMINISTRATIVE COSTS MAY NOT EXCEED THE ACTUAL  
10 EXPENSES INCURRED BY THE CITY TO ADMINISTER THE PROGRAM.

11 (2) *FEES.*

12 THE CITY MAY ~~SHALL~~ CHARGE PROPERTY OWNERS WHO PARTICIPATE IN THE PACE  
13 LOAN PROGRAM THE FOLLOWING, NON-FINANCEABLE FEES:

14 (I) A REASONABLE APPLICATION FEE; AND

15 (II) RECORDING FEES ASSOCIATED WITH PARTICIPATION IN THE PROGRAM.

16 **§ 30-4. PROGRAM ADMINISTRATION – RULES AND REGULATIONS.**

17 (A) *ADOPTION.*

18 THE FINANCE DIRECTOR, IN CONSULTATION WITH THE PROGRAM ADMINISTRATOR AND  
19 THE BALTIMORE CITY OFFICE OF SUSTAINABILITY, SHALL ADOPT RULES AND  
20 REGULATIONS TO CARRY OUT THIS SUBTITLE.

21 (B) *CONTENTS.*

22 THESE RULES AND REGULATIONS SHALL:

23 (1) CLEARLY DELINEATE THE RESPECTIVE ROLES AND RESPONSIBILITIES OF PROPERTY  
24 OWNERS, CLEAN ENERGY LENDERS, THE PROGRAM ADMINISTRATOR, AND THE  
25 FINANCE DIRECTOR; AND

26 (2) INCLUDE:

27 (I) METHODOLOGIES FOR DETERMINING THE ELIGIBILITY OF COMMERCIAL  
28 PROPERTIES, PROPERTY OWNERS, AND ENERGY IMPROVEMENTS;

29 (II) MINIMUM UNDERWRITING STANDARDS FOR CLEAN ENERGY LENDERS;

30 (III) THE DOCUMENTATION REQUIRED ON THE ADMINISTRATOR'S REQUEST TO  
31 DEMONSTRATE THAT THE ENERGY SAVINGS GENERATED BY AN ENERGY

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1 EFFICIENCY PROJECT EXCEED A PROPERTY OWNER’S OBLIGATIONS UNDER A  
2 CLEAN ENERGY LOAN FINANCING AGREEMENT;

3 (IV) EFFICIENT APPLICATION INTAKE, PROCESSING, AND TRANSACTION CLOSING  
4 PROCEDURES;

5 (V) TERMS AND PROVISIONS TO BE INCLUDED IN A NOTICE OF SURCHARGE  
6 LEVY TO BE RECORDED BY THE CLEAN ENERGY LENDER OR THE PROGRAM  
7 ADMINISTRATOR IN THE LAND RECORDS OF BALTIMORE CITY;

8 (VI) REQUIRED DATA MANAGEMENT SERVICES THAT CONFORM TO CITY  
9 PRACTICES;

10 ~~(VII) THE PROCESS BY WHICH THE CLEAN ENERGY LENDER WILL BE ABLE TO~~  
11 ~~EXERCISE ITS RIGHTS AS A CREDITOR IN THE EVENT OF NON-PAYMENT OR~~  
12 ~~DEFAULT OF A SURCHARGE BY A PROPERTY OWNER;~~

13 (VII) ~~(VIII)~~ PROGRAM OUTREACH STRATEGIES; AND

14 (VIII) ~~(IX)~~ ANNUAL PROGRAM PARTICIPATION AND PERFORMANCE REPORTING  
15 REQUIREMENTS.

16 (C) *FILING WITH LEGISLATIVE REFERENCE.*

17 A COPY OF ALL RULES AND REGULATIONS SHALL BE FILED WITH THE DEPARTMENT OF  
18 LEGISLATIVE REFERENCE BEFORE THEY TAKE EFFECT.

19 **§ 30-5. ELIGIBILITY OF PROPERTY AND PROPERTY OWNER.**

20 (A) *IN GENERAL.*

21 TO BE ELIGIBLE FOR A CLEAN ENERGY LOAN:

22 (1) THE COMMERCIAL PROPERTY FOR WHICH THE ENERGY IMPROVEMENTS ARE  
23 PROPOSED MUST BE LOCATED IN THE CITY; AND

24 (2) THE PROPERTY OWNER MUST:

25 (I) HAVE A 100% OWNERSHIP INTEREST IN THE COMMERCIAL PROPERTY;

26 (II) DEMONSTRATE THAT NO TAXES, ASSESSMENTS, FEES, OR OTHER CHARGES  
27 ENCUMBERING THE COMMERCIAL PROPERTY ARE DELINQUENT; AND

28 (III) PROVIDE WRITTEN PROOF THAT ALL CURRENT HOLDERS OF A MORTGAGE  
29 OR DEED OF TRUST ON THE COMMERCIAL PROPERTY HAVE EXPRESSLY  
30 CONSENTED TO THE CLEAN ENERGY LOAN AND ITS STATUS AS A PRIORITY  
31 LIEN ON THE PROPERTY.

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1 (B) *ABILITY TO REPAY.*

2 BEFORE ANY CLEAN ENERGY LOAN IS APPROVED UNDER THE PACE LOAN PROGRAM, THE  
3 ADMINISTRATOR MUST GIVE DUE REGARD TO THE PROPERTY OWNER'S ABILITY TO REPAY  
4 THE LOAN, IN A MANNER SUBSTANTIALLY SIMILAR TO THAT REQUIRED FOR A MORTGAGE  
5 LOAN UNDER §§ 12-127, 12-311, 12-409.1, 12-925, AND 12-1029 OF THE STATE  
6 COMMERCIAL LAW ARTICLE.

7 **§ 30-6. QUALIFYING ENERGY IMPROVEMENTS.**

8 (A) *IN GENERAL.*

9 A PROPERTY OWNER MAY USE THE PACE LOAN PROGRAM TO FINANCE ALL COSTS  
10 INCURRED TO PURCHASE, UPGRADE, MODIFY, OR CONSTRUCT QUALIFYING ENERGY  
11 IMPROVEMENTS TO A NEW OR EXISTING COMMERCIAL PROPERTY, INCLUDING ALL  
12 PROPERTY IMPROVEMENTS NECESSARY TO INSTALL A QUALIFIED ENERGY IMPROVEMENT.

13 (B) *QUALIFYING COSTS.*

14 QUALIFYING ENERGY IMPROVEMENT COSTS INCLUDE:

- 15 (1) ENERGY AUDITS;
- 16 (2) PRE-CONSTRUCTION AND POST-INSTALLATION EVALUATION, MEASUREMENT, AND  
17 VERIFICATION SERVICES;
- 18 (3) ENGINEERING, DESIGN, AND FEASIBILITY STUDIES;
- 19 (4) MATERIALS AND LABOR NECESSARY FOR INSTALLATION;
- 20 (5) COMMISSIONING OR RETRO-COMMISSIONING;
- 21 (6) PERFORMANCE GUARANTEES;
- 22 (7) OPERATIONS AND MAINTENANCE SERVICE CONTRACTS, WARRANTIES, OR  
23 INSURANCE;
- 24 (8) ACCREDITATION OR CERTIFICATION OF BUILDING ENERGY PERFORMANCE WITH  
25 STANDARD-SETTING ORGANIZATIONS APPROVED BY THE ADMINISTRATOR; AND
- 26 (9) FEDERAL, STATE, OR LOCAL REGULATORY COMPLIANCE COSTS REQUIRED TO  
27 COMPLETE AN ENERGY IMPROVEMENT.

28 (C) *RENEWABLE ENERGY PROJECTS.*

29 (1) *QUALIFICATIONS.*

30 A RENEWABLE ENERGY PROJECT QUALIFIES AS AN ENERGY IMPROVEMENT UNDER THIS  
31 SUBTITLE ONLY IF THE COMMERCIAL PROPERTY CONSUMES ALL OR A PORTION OF THE  
32 OUTPUT FROM THE RENEWABLE ENERGY PROJECT.

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1           (2) *RESILIENCY BENEFITS.*

2           RENEWABLE ENERGY PROJECTS MAY INCLUDE TECHNOLOGIES THAT PROVIDE  
3           RESILIENCY BENEFITS TO THE COMMERCIAL PROPERTY OR THE ELECTRICAL GRID.  
4           THESE BENEFITS INCLUDE DEMAND MANAGEMENT, ANCILLARY SERVICES, POWER  
5           QUALITY, CAPACITY FIRMING, OR OTHER BENEFITS DETERMINED BY THE  
6           ADMINISTRATOR TO BE CONSISTENT WITH THE PURPOSE OF THIS PROGRAM.

7   **§ 30-7. FINANCING.**

8           (A) *UNDERWRITING STANDARDS.*

9           (1) *MAXIMUM LOAN TERM.*

10          A CLEAN ENERGY LOAN MAY BE FOR A TERM NOT EXCEEDING 25 YEARS.

11          (2) *FINANCING AGREEMENT.*

12          THE FINANCING AGREEMENT MAY CONTAIN ANY TERMS AGREED TO BY THE CLEAN  
13          ENERGY LENDER AND THE PROPERTY OWNER, AS PERMITTED BY LAW.

14          (3) *COSTS INCLUDED.*

15          A CLEAN ENERGY LOAN MAY INCLUDE COSTS ASSOCIATED WITH EXECUTING THE  
16          FINANCING AGREEMENT, INCLUDING ORIGINATION, LEGAL, AND CLOSING COSTS, BUT  
17          EXCLUDING THE NON-FINANCEABLE FEES PROVIDED FOR IN § 30-3(C)(2) {"PROGRAM  
18          EXPENSES"} OF THIS SUBTITLE.

19          (B) *TIMING.*

20          THE ADMINISTRATOR MAY APPROVE A CLEAN ENERGY LOAN UP TO 1 YEAR AFTER THE  
21          PROPERTY OWNER PLACES QUALIFYING ENERGY IMPROVEMENTS IN SERVICE, AS LONG AS  
22          THE PROPERTY OWNER HAS FILED AN INITIAL PACE LOAN APPLICATION PRIOR TO:

23                 (1) COMMENCING CONSTRUCTION OF AN ENERGY-IMPROVEMENT PROJECT; OR

24                 (2) ALTERING A PREVIOUSLY PROPOSED PROJECT TO INCLUDE QUALIFYING ENERGY  
25                 IMPROVEMENTS.

26          (C) *PUBLIC FINANCING PRECLUDED.*

27          THE CITY MAY NOT DIRECTLY FINANCE OR FUND ANY CLEAN ENERGY LOANS UNDER THE  
28          PACE LOAN PROGRAM.



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1 **§ 30-8. SURCHARGE.**

2 (A) *IN GENERAL.*

3 (1) A PROPERTY OWNER PARTICIPATING IN THE PACE LOAN PROGRAM SHALL REPAY THE  
4 CLEAN ENERGY LOAN THROUGH ~~A~~ AN ANNUAL SURCHARGE ON THE PROPERTY  
5 OWNER'S REAL PROPERTY OR STAND-ALONE TAX BILL.

6 (2) THIS SURCHARGE CONSTITUTES A FIRST LIEN ON THE PROPERTY, WITH PRIORITY OVER  
7 ALL PRIOR OR SUBSEQUENT LIENS IN FAVOR OF PRIVATE PARTIES, FROM THE DATE IT  
8 ~~BECOMES PAYABLE~~ IS BILLED ON THE PROPERTY OWNER'S REAL PROPERTY OR STAND-  
9 ALONE TAX BILL UNTIL THE UNPAID SURCHARGE, INTEREST, AND ANY ASSOCIATED  
10 PENALTIES ARE PAID IN FULL.

11 (B) *CALCULATION.*

12 THE AMOUNT OF THE SURCHARGE SHALL BE THE SUM OF:

13 (1) THE AMOUNT DUE UNDER THE TERMS OF INDEBTEDNESS AND OBLIGATIONS  
14 AGREED TO IN THE LOAN'S FINANCING AGREEMENT; AND

15 (2) ANY ADMINISTRATIVE COSTS OWED TO THE CITY UNDER THIS SUBTITLE.

16 (C) *TRANSFERABILITY.*

17 ~~IF EXCEPT AS PROVIDED IN § 30-3(A)(2) OF THIS SUBTITLE, IF~~ A PERSON ACQUIRES A  
18 COMMERCIAL PROPERTY THAT IS SUBJECT TO A SURCHARGE INCURRED UNDER THIS  
19 SUBTITLE, THAT PERSON ASSUMES THE OBLIGATION TO PAY THE SURCHARGE, WHETHER  
20 THE ACQUISITION WAS VOLUNTARY OR INVOLUNTARY.

21 (D) *RECORDATION.*

22 (1) WITHIN 30 DAYS OF RECEIVING WRITTEN NOTICE FROM THE ADMINISTRATOR THAT A  
23 FINANCING AGREEMENT FOR A CLEAN ENERGY LOAN HAS BEEN EXECUTED, THE  
24 ~~FINANCE DIRECTOR~~ CLEAN ENERGY LENDER OR THE ADMINISTRATOR SHALL CAUSE A  
25 NOTICE OF SURCHARGE LEVY TO BE RECORDED IN THE LAND RECORDS OF BALTIMORE  
26 CITY.

27 (2) THE NOTICE OF SURCHARGE LEVY SHALL INCLUDE:

28 (I) THE CLEAN ENERGY LOAN FINANCING AGREEMENT; AND

29 (II) ANY OTHER INFORMATION REQUIRED BY THE RULES AND REGULATIONS  
30 ADOPTED UNDER THIS SUBTITLE.

31 ~~(3) THE NOTICE OF SURCHARGE LEVY SHALL BE RECORDED AND RELEASED IN THE~~  
32 ~~MANNER AS THAT PROVIDED FOR OTHER PROPERTY TAX CHARGES OR ASSESSMENTS.~~

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1 (E) *BILLING.*

2 (1) *IN GENERAL.*

3 THE ANNUAL SURCHARGE SHALL BE:

4 (I) BILLED:

5 (A) AS A SEPARATE, CLEARLY DEFINED LINE ITEM ON THE REAL PROPERTY  
6 TAX BILL; OR

7 (B) ON A SEPARATE, STAND-ALONE TAX BILL; AND

8 (II) DUE ON THE SAME DATES AS CITY REAL PROPERTY TAXES.

9 (2) *INITIAL SURCHARGE.*

10 (I) THE CITY SHALL BILL THE FIRST SURCHARGE DUE BY A PROPERTY OWNER ON THE  
11 FIRST TAX BILL AFTER THE ADMINISTRATOR PROVIDES WRITTEN NOTICE TO THE  
12 FINANCE DIRECTOR ~~THAT THE ENERGY IMPROVEMENTS FINANCED UNDER THE~~  
13 ~~PACE LOAN PROGRAM HAVE BEEN PLACED IN SERVICE OF THE FINANCING~~  
14 AGREEMENT'S REPAYMENT SCHEDULE.

15 (II) THIS BILLING PRACTICE DOES NOT IMPACT THE LEGAL RIGHTS AFFORDED A CLEAN  
16 ENERGY LENDER UNDER:

17 (A) A VALID, EXECUTED FINANCE AGREEMENT; AND

18 (B) A PROPERLY RECORDED NOTICE OF SURCHARGE LEVY.

19 (F) *DISBURSEMENT.*

20 (1) SURCHARGES COLLECTED BY THE CITY UNDER THIS SUBTITLE SHALL BE DISBURSED TO  
21 THE ADMINISTRATOR WITHIN ~~30~~ 45 DAYS AFTER THE LAST DAY OF THE MONTH IN  
22 WHICH THE AMOUNTS ARE COLLECTED.

23 (2) NEITHER THE CITY NOR THE ADMINISTRATOR SHALL AT ANY TIME POSSESS ANY  
24 OWNERSHIP OF A SURCHARGE COLLECTED, EXCEPT FOR THE ADMINISTRATIVE COSTS  
25 INCLUDED IN THE SURCHARGE UNDER THIS SUBTITLE.

26 (3) THE CITY IS OBLIGATED TO PAY A CLEAN ENERGY LENDER ONLY THE PORTION OF THE  
27 SURCHARGE ACTUALLY COLLECTED TO REPAY THE CLEAN ENERGY LOAN.

28 (G) *REPAYMENT PRIORITY.*

29 PROPERTY TAX COLLECTIONS SURCHARGE PAYMENTS COLLECTED THROUGH A PROPERTY  
30 OWNER'S REAL PROPERTY OR STAND-ALONE TAX BILL SHALL BE CREDITED:

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1 (1) FIRST, TO ANY NON-PROGRAM UNPAID ~~CITY~~ TAXES AS DEFINED BY § 14-801(C) OF  
2 THE PROPERTY TAX ARTICLE, ASSESSMENTS, AND CHARGES; AND

3 (2) THEN, TO PROGRAM SURCHARGES.

4 (H) *DELINQUENCY.*

5 (1) IF A PROPERTY OWNER FAILS TO PAY A SURCHARGE INSTALLMENT IN ACCORDANCE  
6 WITH THE TERMS OF THE LOAN FINANCING AGREEMENT, THE FINANCE DIRECTOR  
7 SHALL PROVIDE WRITTEN NOTICE OF THE DELINQUENCY TO THE ADMINISTRATOR IN A  
8 TIMELY MANNER.

9 (2) AFTER PROVIDING THIS NOTICE TO THE ADMINISTRATOR, THE CITY HAS NO  
10 OBLIGATION TO COLLECT UNPAID SURCHARGE PAYMENTS UNTIL A TAX LIEN ATTACHES  
11 TO THE PROPERTY.

12 (I) *DEFAULT.*

13 (1) IF A PROPERTY OWNER DEFAULTS ON A SURCHARGE, THE FINANCE DIRECTOR SHALL  
14 COLLECT THE SURCHARGE AS A TAX LIEN, THROUGH THE TAX SALE PROCESS, IN A  
15 MANNER SIMILAR TO OTHER PROPERTY TAX ASSESSMENTS WITH RESPECT TO ANY  
16 PENALTIES, FEES, REMEDIES, AND LIEN PRIORITIES AUTHORIZED UNDER STATE TAX-  
17 PROPERTY ARTICLE, TITLE 14, SUBTITLE 8.

18 (2) A SURCHARGE LEVIED UNDER THIS SUBTITLE MAY BE FORECLOSED ONLY TO THE  
19 EXTENT OF ANY UNPAID INSTALLMENT AND ANY RELATED PENALTIES, INTEREST, AND  
20 FEES.

21 (3) THIS COLLECTION PROCESS APPLIES TO AN OVERDUE SURCHARGE, REGARDLESS OF  
22 WHETHER REAL PROPERTY TAXES (OR ANY OTHER TAXES, CHARGES, OR ASSESSMENTS)  
23 ARE DUE AND OWING.

24 (J) *ASSIGNABILITY.*

25 THE CITY MAY ASSIGN A PACE TAX LIEN TO THE ADMINISTRATOR.

26 (K) *SURVIVABILITY.*

27 IF A PACE TAX LIEN IS FORECLOSED, THE PACE TAX LIEN SHALL SURVIVE THE JUDGMENT  
28 OF FORECLOSURE TO THE EXTENT THAT ANY UNPAID SURCHARGE INSTALLMENTS SECURED  
29 BY THE LIEN WERE NOT THE SUBJECT OF THAT JUDGMENT.

30 **SECTION 2. AND BE IT FURTHER ORDAINED**, That the catchlines contained in this Ordinance  
31 are not law and may not be considered to have been enacted as a part of this or any prior  
32 Ordinance.

33 **SECTION 3. AND BE IT FURTHER ORDAINED**, That:

34 (i) within 60 days of the enactment of this Ordinance, the Finance Director, in  
35 consultation with the Baltimore City Office of Sustainability, shall contract for the

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1 Program Administrator required by Article 28, § 30-3(b), as enacted by this  
 2 Ordinance; and

3 (ii) within 120 days of the selection of the Program Administrator, the Finance Director,  
 4 in consultation with the Program Administrator and the Baltimore City Office of  
 5 Sustainability, shall adopt the rules and regulations required by Article 28, § 30-4, as  
 6 enacted by this Ordinance.

7 **SECTION 4. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect when it is  
 8 enacted and shall apply to a property owner’s real property or stand-alone tax bill rendered on or  
 9 after July 1, 2017 for any commercial property for which a qualified energy improvement was  
 10 financed on or after July 1, 2016.

Certified as duly passed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
President, Baltimore City Council

Certified as duly delivered to Her Honor, the Mayor,  
this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
Chief Clerk

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
Mayor, Baltimore City