



Madera County Treasurer-Tax Collector

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PROPERTY ASSESSED CLEAN ENERGY (PACE) Program

Risk Considerations for Participating Property Owners

The PACE program allows for property owners to enter into contractual agreements freely and willingly with contractors and PACE financing providers for clean energy improvements. As with any contractual agreement, the borrower/property owner enters at their own risk. **PACE improvements are financed by loans managed by 3rd party PACE Administrators and repaid via line-item assessments placed on property tax bills.** It is important to note that this often more than doubles a property owner's tax bill, so planning ahead to increase mortgage lenders escrow account contributions or save money sufficient to pay the bills on the bi-annual due dates is essential.

PACE Program FAQs

What is the PACE program?

PACE stands for Property Assessed Clean Energy. PACE is a state program that allows for the financing of energy-efficient improvements to your property through charges, called "special assessments," on your tax bill. PACE loans are operated and administered by government-approved third parties, such as CA HERO Program, YGRENE and California First. These third-party administrators are responsible for adding PACE special assessments onto your tax bill which then become a lien on your property.

On your property tax bill, the PACE special assessment will appear under the VOTER APPROVED TAXES, TAXING AGENCY DIRECT CHARGES AND SPECIAL ASSESSMENTS section, the "Direct Charge" line item may be one of the largest charges on your tax bill. The contact number for your PACE program administrator is right next to the amount.

What will the PACE payment be on my tax bill every year?

After you've signed the loan, the first charge for your PACE improvements may take one or two tax cycles to show up on your bill. If it doesn't appear this year, you'll likely see it on next year's tax bill. The charge will be there until you've paid the loan off and your administrator requests that it be removed from your property taxes.

Your administrator should give you a payment schedule with your contract documents. Contact them if you don't have it.

How will the PACE assessment impact my impound-escrow account?

The PACE assessment will increase the amount your lender pays for your property taxes. Your lender will in turn increase your monthly mortgage payment to cover the extra cost.

Can I pay for the PACE portion of the tax bill separately?

No, state law requires certain information like special assessments to be included in the bill. Special assessments are collected at the same time as property taxes. Your tax bill is due in two installments, which must be paid in full. No partial payments are allowed.

If I paid off my PACE loan, can you remove the charges from my tax bill?

Your PACE administrator must be the one to request that the County remove the assessment.

The PACE program submits correction requests one or two times a month. When your PACE line item is removed, you will receive a corrected tax bill.

But, if you don't receive that corrected bill before your property taxes are due, you must pay the total amount shown on your bill to avoid penalties. Our office will send you a refund if your corrected bill shows you've overpaid.

Remember, the tax collector is not authorized to make any adjustments or changes to the amount due on your tax bill. The tax collector is required to collect the payment amounts reflected on your tax bill and will then issue any refunds due based on subsequent corrections.

Will I get a penalty on my PACE payment if I don't pay my property tax bill?

You will be charged a penalty and interest if you don't pay your bill on time, just as with other property taxes. You will be charged a 10 percent penalty on your full first installment if you don't pay it by December 10th, and you will incur a 10 percent penalty, plus a \$30 cost, on your full second installment if you don't pay by April 10th. Tax Bills that are not paid by June 30th will go into default, and you will be charged an extra 18 percent penalty per year.

What will happen if I cannot afford to pay my Property Tax Bill?

If your property taxes, including the PACE assessment, remain unpaid for (5) five years, your property could be auctioned off at the County's annual tax sale or the PACE administrator could foreclose on your house.

What will happen if I sell the property with a PACE assessment?

Under California law, property taxes typically stay with a home when it's sold, and the same is true with special assessments. If you sell or refinance your property, your PACE administrator may let the PACE assessment stay with it.

However, either your lender or the buyer's lender may require you to pay off the rest of the assessment. You should ask your lender what they require.

Where can I go to file a complaint related to the PACE assessment?

Complaints should be filed with the California Department of Financial Protection & Innovation (DFPI). The DFPI relies on complaints to help them protect consumers, borrowers and investors and obtain redress for them when they're victimized by unlawful, unfair, or fraudulent business practices.

If you need assistance with the complaint form, please call the DFPI directly at (866) 275-2677 or send an email to ask.dfpi@dfpi.ca.gov