

C-PACER Program

At the March town meeting, voters approved Article 28, which authorized the Town to adopt RSA 53-F and establish a Commercial Property Assessed Clean Energy and Resiliency (C-PACER) district covering the entire town, and authorized the Select Board to hold the required hearing, make findings, and execute the documents needed to implement the program.

C-PACER allows commercial property owners to finance energy and resiliency improvements through private lenders. The financing is between the property owner and the lender. The Town is not a party to the loan and does not take on any repayment risk.

The town's role is mostly upfront. The Select Board must hold one public hearing with at least 10 day's notice, make a public purpose determination, adopt the ordinance, and sign the participation agreement with the NH Business Finance Authority. The town designates a program administrator to oversee applications, approvals, and coordination. After that, there is no ongoing program management role.

Under RSA 53-F, the order of these steps matters. The public hearing must come first. The Board makes the public purpose finding at or after that hearing and then adopts the ordinance and approves the participation agreement. Drafts can be reviewed ahead of time, but the formal vote should not happen before the hearing.

The town does not review C-PACER projects or financing, does not underwrite risk, and does not manage projects. The town does not file anything at the Registry of Deeds. The closing attorney for each project prepares and records the lien as part of the financing.

Repayment is structured as a special assessment on the property. The assessment is placed on the property tax bill, collected by the tax collector, and remitted to the lender or program administrator. This requires administrative work by the tax collector, including setting up each new assessment in the tax system, ensuring it appears on tax bills, collecting payments, and remitting them. This follows the same process used for sewer, water, betterments, and other special assessments, not private loans like mortgages. A clear handoff between the program administrator and the tax collector is needed so assessments are set up and billed without delay.

C-PACER assessments follow the Town's tax billing cycle, so payments are typically made and remitted on the same schedule as property taxes. The Town may choose to include a small administrative fee with each assessment to recover the cost of this work.

The Town's tax lien remains first in priority. The C-PACER lien is subordinate to property taxes but senior to mortgages and most other private liens. C-PACER requires written consent from any existing mortgage holder. With that consent, the lender agrees to a subordinate position behind the C-PACER assessment.

The bottom line is that most of the work is handled by the lender, their attorney, and the state program. The Town's role is limited, but it does include ongoing administrative work by the tax collector to bill, collect, and remit the assessments.

Warrant Article 28 (Adopted)

To see if the Town will vote to adopt RSA 53-F and establish a Commercial Property Assessed Clean Energy and Resiliency (C-PACER) District, which shall encompass the entire area within the boundaries of the Town of Rye. If established, individuals or groups of properties within the boundaries of the District may fund qualifying improvements to real property through private lenders, the financing for which would be secured by a special assessment lien on the property through an assessment agreement between the property owner and the Town. Further, to see if the Town will vote to authorize the Board of Selectmen to issue such resolutions, hold all hearings, make all findings, execute all documents and perform all other municipal functions in accordance with RSA chapter 53-F and to authorize the Board of Selectmen to enter into special assessment agreements with qualifying property owners in accordance with RSA chapter 53-F. If the warrant article passes, the Board of Selectmen shall notice and hold a single public hearing and vote on whether energy conservation and efficiency and clean energy improvements will serve the public purposes as set forth in RSA chapter 53-F and not primarily be for the benefit of private persons or uses even though such private benefits and uses may incidentally result.

This article is recommended by the Selectmen (3-0).