

PROPOSED

ORDINANCE NO.

1 AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF BROWARD
2 COUNTY, FLORIDA, PERTAINING TO THE PROPERTY ASSESSED CLEAN ENERGY
3 (“PACE”) PROGRAM IN BROWARD COUNTY; AMENDING VARIOUS SECTIONS OF
4 CHAPTER 20, ARTICLE VII, DIVISION 8 OF THE BROWARD COUNTY CODE OF
5 ORDINANCES (“CODE”) REGARDING THE BROWARD PACE ACT; AND PROVIDING
6 FOR SEVERABILITY, INCLUSION IN THE CODE, AND AN EFFECTIVE DATE.

7 (Sponsored by Mayor Beam Furr)

8
9 WHEREAS, the Florida Legislature substantially amended state law regulating the
10 provision of financing of property assessed clean energy (“PACE”) qualifying
11 improvements to real property during the 2024 Legislative Session;

12 WHEREAS, on October 8, 2024, the Board of County Commissioners of Broward
13 County, Florida (“Board”), enacted Ordinance No. 2024-38, the Broward PACE Act, and
14 Resolution No. 2024-469 to consolidate, strengthen, and update requirements for
15 voluntary financing of certain qualifying improvements to real property within Broward
16 County (“County”) through non-ad valorem assessments on such real property by PACE
17 program administrators (collectively, “PACE financing”);

18 WHEREAS, continued meetings between County staff, the County Attorney’s
19 Office, the County Auditor’s Office, and PACE industry stakeholders resulted in additional
20 proposed amendments to the Broward PACE Act regarding qualifying improvements to
21 residential property to limit the property valuation tools a program administrator and/or

22 third-party administrator may use to the values determined by the Broward County
23 Property Appraiser and credentialed certified property appraisers; and

24 WHEREAS, the Board finds it appropriate at this time to amend the Broward PACE
25 Act as set forth herein,

26 BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF
27 BROWARD COUNTY, FLORIDA:

28 Section 1. Section 20-176.136 of the Broward County Code of Ordinances is
29 hereby amended to read as follows:

30 **Sec. 20-176.136. Additional Requirements for Residential Property.**

31 In addition to the requirements of the PACE Statute, program administrators and
32 third-party administrators that provide PACE financing for qualifying improvements to
33 residential property in Broward County must also comply with the following requirements:

34 (a) *Equity requirement.* Upon entering into a financing agreement for a
35 qualifying improvement to residential property, the property owner(s) must have equity in
36 the subject property of at least ten percent (10%) of the fair market value of the property
37 demonstrated by: ~~(i) the just value determined by the Broward County Property Appraiser~~
38 ~~for the most recent calendar year;~~ (ii) or an industry-quality appraisal performed by a
39 credentialed certified property appraiser; ~~or (iii) automated valuation modeling;~~

40 . . .

41 (f) *Financing Limits.* Except as provided in Section 20-176.136(g), the program
42 administrator or third-party administrator must ensure that the total amount of all annual
43 property taxes and assessments, in the aggregate, does not exceed five percent (5%) of
44 the property's fair market value, determined at the time financing is approved, utilizing the

45 just value determined by: ~~(i)~~ the Broward County Property Appraiser for the most recent
46 calendar year; ~~(ii)~~ or an industry-quality appraisal performed by a credentialed certified
47 property appraiser; ~~or (iii) automated valuation modeling;~~ and ensure that the total
48 amount of all annual PACE assessments does not exceed four percent (4%) of the total
49 annual gross income of the property owner(s) in the prior calendar or fiscal year, based
50 on the amount of the total annual gross income as stated in a sworn statement made by
51 the property owner(s); and

52 . . .

53 ~~(h) Automated Valuation Modeling. Program administrator or third-party~~
54 ~~administrator utilization of automated valuation models to determine the fair market or just~~
55 ~~value of property under Section 20-176.136(a) and (f) shall comply with the following~~
56 ~~criteria:~~

- 57 ~~(1) Each automated valuation model must be provided by a third-party vendor.~~
- 58 ~~(2) Each automated valuation model must have estimation models with~~
59 ~~confidence scores or forecast standard deviations and undergo regular~~
60 ~~statistical calibration by the third-party vendor.~~
- 61 ~~(3) At least three (3) automated valuation models must be utilized for each~~
62 ~~property.~~
- 63 ~~(4) The program administrator or third-party administrator shall utilize the~~
64 ~~property value associated with the lowest forecast standard deviation or the~~
65 ~~highest confidence score as the market value. However, if market value is~~
66 ~~expressed as a range based on the lowest forecast standard deviation or~~
67 ~~the highest confidence score, the program administrator or third-party~~

68 ~~administrator shall utilize the average value of the range associated with the~~
69 ~~lowest standard deviation or the highest confidence score.~~

70 Section 2. Severability.

71 If any portion of this Ordinance is determined by any court to be invalid, the invalid
72 portion will be stricken, and such striking will not affect the validity of the remainder of this
73 Ordinance. If any court determines that this Ordinance, in whole or in part, cannot be
74 legally applied to any individual, group, entity, property, or circumstance, such
75 determination will not affect the applicability of this Ordinance to any other individual,
76 group, entity, property, or circumstance.

77 Section 3. Inclusion in the Broward County Code of Ordinances.

78 It is the intention of the Board of County Commissioners that the provisions of this
79 Ordinance become part of the Broward County Code of Ordinances as of the effective
80 date. The sections of this Ordinance may be renumbered or relettered and the word
81 "ordinance" may be changed to "section," "article," or such other appropriate word or
82 phrase to the extent necessary to accomplish such intention.

83 Section 4. Effective Date.

84 This Ordinance is effective as of the date provided by law.

ENACTED

PROPOSED

FILED WITH THE DEPARTMENT OF STATE

EFFECTIVE

Approved as to form and legal sufficiency:
Andrew J. Meyers, County Attorney

By: /s/ Jennifer D. Brown 01/15/2025
Jennifer D. Brown (date)
Senior Assistant County Attorney

By: /s/ Michael C. Owens 01/15/2025
Michael C. Owens (date)
Senior Assistant County Attorney

JDB/gmb
AVM Ordinance Amendment
01/15/2025
#1139227.1

Coding: Words ~~stricken~~ are deletions from existing text. Words underlined are additions to existing text.