MGB ACADEMY · MISSOURI MUNICIPAL LEADERS TRACK

The C-PACE Assessment Lifecycle

A municipal walkthrough — from an owner's decision to the last annual assessment

DOCUMENT	PROGRAM SEGMENT	AUDIENCE	VERSION
MGBA-MUN-JA-02	Segment 3 — How C-PACE Works in Your Community	Municipal staff, finance directors, permitting staff	v1.0 · August 21, 2026

The four-step overlay in Segment 3 — Owner, Improvement, Assessment, Repayment — is the honest shape of the transaction. This sheet fills in the steps that overlay compresses, so that a finance director or city attorney reading it alone can see where the municipality does and does not appear.

The lifecycle in nine steps

1. **The owner identifies a project.** A commercial property owner has an eligible improvement in mind — energy efficiency, renewable energy, or a water measure that reduces energy use.
2. **The owner assembles a team.** A contractor to do the work and a capital provider to fund it. NPCA surfaces best-fit candidates on each track; the owner selects each independently. Nothing in this step involves the municipality.
3. **The owner applies to the district.** The district may set application requirements and criteria for financing approval, and may require an initial energy audit and inspections to verify completion.
4. **The district makes its statutory findings.** Before entering an assessment contract, the board must find that there are sufficient resources to complete the project, and that the estimated economic benefit expected during the financing period equals or exceeds the cost of the project.
5. **Existing mortgage-holder consent is obtained.** Because the assessment sits alongside property taxes in priority, senior lender consent is standard practice in commercial C-PACE and is required by the district's program guidelines.
6. **The assessment contract is executed.** Signed by the district and the benefitted property owner. It describes the project, sets the annual assessment, and states that the obligation is a covenant running with the land.
7. **The contract is recorded and reported.** The district provides a copy of each signed assessment contract to the local assessor and the collector for the county — or city not within a county — and causes a copy to be recorded in the real estate records of the recorder of deeds.
8. **The project is built and funded.** Private capital funds the project cost. The contract must include a mechanism for verifying final costs and ensuring advances do not exceed them. Your permitting and inspection processes apply exactly as they otherwise would.
9. **Annual assessments are collected and paid over.** The county collector collects the special assessment in the same manner and with the same priority as ad valorem real property taxes, then pays the revenue over to the district in the same manner revenues are paid to other taxing districts.

Where the municipality appears — and where it does not

Step	Municipal role	Municipal exposure
Project identification and team selection	None	None
Application and district findings	None	None
Assessment contract execution	None — the parties are the district and the owner	None
Recording	County recorder of deeds records; assessor and collector receive copies	Administrative only, at the county level
Construction	Full — permitting, inspection, code enforcement, zoning, fire, historic review	The same exposure as any other private construction project
Annual collection	County collector collects and pays over to the district	None — the municipality neither bills nor services the assessment

Two features that carry most of the reassurance

IT RUNS WITH THE LAND

The obligation to pay annual special assessments is a covenant that runs with the land and binds future owners for the term of the contract. If the building sells, the assessment transfers with it. The individual owner is not personally chased for a balance, and the municipality is not left holding an orphaned obligation.

IT IS COLLECTED, NOT UNDERWRITTEN

Collection runs through the county collector alongside property taxes. That is a mechanical similarity, not a fiscal one. The special assessment is a charge the owner voluntarily agreed to pay in exchange for financing. It is not a tax, not a levy on anyone else, and not a claim on your general fund.

Term limits

An assessment contract may run for a period of up to twenty years, and no longer than the weighted average useful life of the qualified improvements. Both limits apply — twenty years is a ceiling, not a default, and a package of shorter-lived measures gets a shorter term.

Statutory references: §67.2815 (assessment contract requirements, recording, collection, lien priority), §67.2820 (program requirements, application criteria, audits and inspections), §67.2800 (definitions, twenty-year and useful-life limits, local ordinance applicability), RSMo. Summary only; not legal advice.

Markets set in motion. It all starts with collaboration.

Missouri Green Banc · 16305 Swingley Ridge Rd, Suite 220, Chesterfield, MO 63017
(866) 554-4083 · communications@missourigreenbanc.org · missourigreenbanc.org