1 HOUSE OF REPRESENTATIVES - FLOOR VERSION 2 STATE OF OKLAHOMA 3 1st Session of the 57th Legislature (2019) COMMITTEE SUBSTITUTE 4 FOR ENGROSSED 5 SENATE BILL NO. 1000 By: Leewright of the Senate 6 and 7 Fetgatter of the House 8 9 10 COMMITTEE SUBSTITUTE 11 An Act relating to the Oklahoma Energy Independence Act; amending 19 O.S. 2011, Section 460.5, which 12 relates to applicability of Act and liens; modifying property to which Act applies; authorizing counties 1.3 to establish Property Assessed Clean Energy programs; modifying repayment structure of certain loans; 14 requiring certain recording; modifying lien status of certain loans; modifying authority over certain 15 liens; stating improvements eligible for financing; and providing an effective date. 16 17 18 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA: 19 SECTION 1. 19 O.S. 2011, Section 460.5, is AMENDATORY 20 amended to read as follows: 2.1 Section 460.5 A. The Oklahoma Energy Independence Act shall 22 apply only to developed property zoned as commercial property on 23 which property taxes are paid and on which the owners of the 24 property are current in the payment of the property taxes.

- Oklahoma Energy Independence Act shall not apply to any property

 zoned as residential property. Counties are authorized to establish

 commercial Property Assessed Clean Energy (PACE) programs to

 facilitate financing between commercial property owners and private

 lenders.
 - B. The repayment of any loan made pursuant to the Oklahoma Energy Independence Act shall be upon such terms as may be agreed to by the \underline{a} property owner and the County Energy District Authority \underline{a} private lender.
 - 1. In the event of a mortgage on the property where a lien is recorded pursuant to the Oklahoma Energy Independence Act, the property owner shall obtain written consent from any mortgage holder or holders prior to the issuance of any loan pursuant to the Oklahoma Energy Independence Act.
 - 2. Such loans issued in accordance with the Oklahoma Energy

 Independence Act between a commercial property owner and a private

 lender shall not accelerate upon default of a mortgage.
- C. Any loan made pursuant to the Oklahoma Energy Independence

 Act shall constitute a lien on the property which is the subject of

 the loan only upon the recording of a mortgage covering an

 assessment contract provided by the county on the property in the

 office of the county clerk. Any mortgage securing a loan lien

 imposed pursuant to the Oklahoma Energy Independence Act shall be

 junior and inferior to all previously recorded liens or mortgages of

6

7

8

9

10

11

12

13

14

15

16

17

1	any kind run with the property and have the same priority and status
2	as a lien for unpaid ad valorem property taxes and shall not be
3	extinguished by virtue of a sale by the county for delinquent
4	property taxes. The exclusive method of enforcing a lien for
5	failure to repay any loan made pursuant to the Oklahoma Energy
6	Independence Act shall be by judicial or nonjudicial foreclosure as
7	provided by law the local government in the same manner and with the
8	same priority as the enforcement of a lien for unpaid ad valorem
9	property taxes.
10	D. Only appliances or improvements that are permanently affixed
11	to the property shall be eligible for financing pursuant to the
12	Oklahoma Energy Independence Act. <u>Improvements shall be related to</u>
13	energy efficiency, water conservation or building resiliency and are
14	available for new construction or improvements on existing buildings

SECTION 2. This act shall become effective November 1, 2019.

COMMITTEE REPORT BY: COMMITTEE ON ENERGY AND NATURAL RESOURCES, dated 04/09/2019 - DO PASS, As Amended.

that are commercial properties.