

1 **SENATE FLOOR VERSION**

2 February 27, 2020

3 **AS AMENDED**

4 SENATE BILL NO. 1592

5 By: Leewright

6 [Oklahoma Energy Independence Act - applicability of
7 act - fees and hire third-party services - counties -
8 effective date]
9

10 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

11 SECTION 1. AMENDATORY 19 O.S. 2011, Section 460.5, as
12 amended by Section 1, Chapter 359, O.S.L. 2019 (19 O.S. Supp. 2019,
13 Section 460.5), is amended to read as follows:

14 Section 460.5. A. The Oklahoma Energy Independence Act shall
15 apply ~~only~~ to ~~property zoned as commercial property,~~ industrial,
16 educational, agricultural and nonprofit properties on which property
17 taxes are to be paid and on which the owners of the property are
18 current in the payment of the property taxes. The Oklahoma Energy
19 Independence Act shall not apply to any property zoned as
20 residential property. Counties are authorized to establish
21 commercial Property Assessed Clean Energy (PACE) programs to
22 facilitate financing between ~~commercial~~ property owners and private
23 lenders. Counties may collect fees for costs incurred in the
24 administration of the PACE program in an amount to be fixed by the

1 applicable board of county commissioners and deposited with the
2 county treasurer as required by law, and may also retain third-party
3 professional services for the administration of the PACE program.
4 County PACE programs shall establish which energy efficient, water
5 conservation and building resiliency improvements qualify for
6 financing. County Treasurers may remit and collect assessment funds
7 from the property owner and disburse the funds to the lender on
8 properties participating in the PACE program.

9 B. The repayment of any loan made pursuant to the Oklahoma
10 Energy Independence Act shall be upon such terms as may be agreed to
11 by a property owner and a private lender.

12 1. In the event of a mortgage on the property where a lien is
13 recorded pursuant to the Oklahoma Energy Independence Act, the
14 property owner shall obtain written consent from any mortgage holder
15 or holders prior to the issuance of any loan pursuant to the
16 Oklahoma Energy Independence Act.

17 2. Such loans issued in accordance with the Oklahoma Energy
18 Independence Act between a commercial property owner and a private
19 lender shall not accelerate upon default of a mortgage.

20 C. Any loan made pursuant to the Oklahoma Energy Independence
21 Act shall constitute a lien on the property which is the subject of
22 the loan only upon the recording of an assessment contract provided
23 by the county on the property in the office of the county clerk.
24 Any lien imposed pursuant to the Oklahoma Energy Independence Act

1 shall run with the property and have the same priority and status as
2 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 the local government in the same manner
7 and with the same priority as the enforcement of a lien for unpaid
8 ad valorem property taxes. Any costs incurred by the local
9 government to enforce a PACE lien shall be borne by the lender.

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. Improvements shall be related to
13 energy efficiency, water conservation or building resiliency and are
14 available for new construction or improvements on existing buildings
15 that are commercial properties.

16 SECTION 2. This act shall become effective November 1, 2020.

17 COMMITTEE REPORT BY: COMMITTEE ON ENERGY
18 February 27, 2020 - DO PASS AS AMENDED
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