

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                                   1st Session of the 53rd Legislature (2011)

4 COMMITTEE SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 1366

By: Watson of the House

and

Bingman of the Senate

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10                                   COMMITTEE SUBSTITUTE

11           An Act relating to cities and towns; creating the  
12           Oklahoma Municipal Energy Independence Act;  
13           establishing a municipal energy district authority;  
14           appointing certain persons to certain positions;  
15           establishing time and place for certain meetings;  
16           specifying general powers and duties of the  
17           authority; establishing certain boundaries;  
18           authorizing the authority to collect certain  
19           repayments of certain loans; stating parameters for  
20           eligibility; providing for lien on property;  
21           providing penalty for failure to repay certain loans;  
22           providing for grants for certain purposes; stating  
23           certain parameters for participation in certain  
24           program; providing for codification; and providing an  
          effective date.

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

1 SECTION 1. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 25-101 of Title 11, unless there  
3 is created a duplication in numbering, reads as follows:

4 This act shall be known and may be cited as the "Oklahoma  
5 Municipal Energy Independence Act".

6 SECTION 2. NEW LAW A new section of law to be codified  
7 in the Oklahoma Statutes as Section 25-102 of Title 11, unless there  
8 is created a duplication in numbering, reads as follows:

9 A. The governing body of a municipality, by ordinance, may  
10 establish a municipal energy district authority for the  
11 municipality. The authority shall be a public trust as provided for  
12 in Sections 176 through 180.3 of Title 60 of the Oklahoma Statutes.

13 B. The authority shall consist of five (5) trustees as follows:

14 1. The mayor of the municipality;

15 2. Two members of the governing board of the municipality; and

16 3. Two persons appointed by the mayor of the municipality who

17 shall be residents of the municipality and shall not be elected

18 officials.

19 C. The mayor of the municipality shall serve as chair of the  
20 authority.

21 SECTION 3. NEW LAW A new section of law to be codified  
22 in the Oklahoma Statutes as Section 25-103 of Title 11, unless there  
23 is created a duplication in numbering, reads as follows:

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1 The trustees of a municipal energy district authority shall  
2 establish a time and place for regular meetings and may hold special  
3 meetings as may be required for the proper transaction of business.  
4 Three trustees shall constitute a quorum for the transaction of  
5 business and upon all questions requiring a vote of the trustees  
6 there shall be a concurrence of three trustees for approval.

7 SECTION 4. NEW LAW A new section of law to be codified  
8 in the Oklahoma Statutes as Section 25-104 of Title 11, unless there  
9 is created a duplication in numbering, reads as follows:

10 A. The trustees of a municipal energy district authority shall  
11 be authorized to:

12 1. Manage and conduct the business and affairs of the  
13 authority;

14 2. Make and execute all necessary contracts;

15 3. Secure funding through sources which may include:

16 a. issuance of notes or bonds,

17 b. public or private lenders,

18 c. grants or loans from other governmental entities when  
19 funds are available, or

20 d. any other public or private funding source;

21 4. Make loans directly to willing and consenting property  
22 owners or through a financial institution for the following  
23 purposes:

- a. to finance the purchase and installation of distributed-generation renewable energy sources,
- b. to make energy-efficient improvements or retrofits that are permanently affixed to residential, commercial, or industrial property,
- c. to conduct residential and commercial building energy audits, and
- d. to establish financial incentive programs for energy-efficient improvements; and

5. Make loans or other repayment mechanisms for capital expenditures available to implement green community programs and qualified energy-conservation projects.

B. The trustees of an energy district authority shall coordinate with electric utilities that provide electric service within the borders of the municipality on programs offered by the authority pursuant to the Oklahoma Municipal Energy Independence Act. No program offered by a municipal energy district authority shall be used directly or indirectly to compete against an electric service provider's similar program within the borders of the municipality for electric customers.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 25-105 of Title 11, unless there is created a duplication in numbering, reads as follows:

1       A. The Oklahoma Municipal Energy Independence Act shall apply  
2 to developed property located within the borders of the municipality  
3 on which property taxes are paid and on which the owners of the  
4 property are current in the payment of the property taxes.

5       B. The trustees of a municipal energy district authority may  
6 enter into an agreement with a county to collect repayment of any  
7 loan made pursuant to the Oklahoma Municipal Energy Independence Act  
8 upon such terms as may be agreed to by the property owner and the  
9 municipal energy district authority.

10       C. Any loan made pursuant to the Oklahoma Municipal Energy  
11 Independence Act shall constitute a lien on the property which is  
12 the subject of the loan only upon the recording of a mortgage  
13 covering the property in the office of the county clerk. Any  
14 mortgage securing a loan shall be junior and inferior to all  
15 previously recorded liens or mortgages of any kind. The exclusive  
16 method of enforcing a lien for failure to repay any loan made  
17 pursuant to the Oklahoma Municipal Energy Independence Act shall be  
18 by judicial or nonjudicial foreclosure as provided by law.

19       D. Only appliances or energy-efficient improvements that are  
20 permanently affixed to the property shall be eligible for financing  
21 pursuant to the Oklahoma Municipal Energy Independence Act.

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1 SECTION 6. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 25-106 of Title 11, unless there  
3 is created a duplication in numbering, reads as follows:

4 A municipal energy district authority may make grants to  
5 nonprofit organizations to perform energy-efficiency audits or  
6 retrofits on tax-exempt property.

7 SECTION 7. NEW LAW A new section of law to be codified  
8 in the Oklahoma Statutes as Section 25-107 of Title 11, unless there  
9 is created a duplication in numbering, reads as follows:

10 A municipal energy district authority shall require those  
11 property owners participating in the program to:

- 12 1. Have an energy audit conducted on the property to be  
13 improved to demonstrate the value of the project; and
- 14 2. Submit proof that the improvements at a minimum meet "Energy  
15 Star" ratings.

16 SECTION 8. This act shall become effective November 1, 2011.

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18 COMMITTEE REPORT BY: COMMITTEE ON GENERAL GOVERNMENT, dated 03-03-  
19 2011 - DO PASS, As Amended and Coauthored.

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