

1 **SENATE FLOOR VERSION**

2 February 28, 2011

3 SENATE BILL NO. 598

By: Bingman of the Senate

4 and

5 Watson of the House

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7
8 An Act relating to cities and towns; creating the
9 "Oklahoma Municipal Energy Independence Act";
10 establishing a municipal energy district authority;
11 appointing certain persons to certain positions;
12 establishing time and place for certain meetings;
13 specifying general powers and duties of the
14 authority; establishing certain boundaries;
15 authorizing the authority to collect certain
16 repayments of certain loans; stating parameters for
17 eligibility; providing for grants for certain
18 purposes; stating certain parameters for
19 participation in certain program; providing for
20 codification; and providing an effective date.

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

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

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

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

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

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

- 9 1. The mayor of the municipality;
10 2. Two members of the governing board of the municipality; and
11 3. Two persons appointed by the mayor of the municipality who
12 shall be residents of the municipality and shall not be elected
13 officials.

14 C. The mayor of the municipality shall serve as chair of the
15 authority.

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

19 The trustees of a municipal energy district authority shall
20 establish a time and place for regular meetings and may hold special
21 meetings as may be required for the proper transaction of business.
22 Three trustees shall constitute a quorum for the transaction of
23 business and upon all questions requiring a vote of the trustees
24 there shall be a concurrence of three trustees for approval.

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

4 A. The trustees of a municipal energy district authority shall
5 be authorized to:

6 1. Manage and conduct the business and affairs of the
7 authority;

8 2. Make and execute all necessary contracts;

9 3. Secure funding through sources which may include:

10 a. issuance of notes or bonds,

11 b. public or private lenders,

12 c. grants or loans from other governmental entities when
13 funds are available, or

14 d. any other public or private funding source;

15 4. Make loans directly to willing and consenting property
16 owners or through a financial institution for the following
17 purposes:

18 a. to finance the purchase and installation of
19 distributed-generation renewable energy sources,

20 b. to make energy-efficient improvements or retrofits
21 that are permanently affixed to residential,
22 commercial, or industrial property,

23 c. to conduct residential and commercial building energy
24 audits, and

1 d. to establish financial incentive programs for energy-
2 efficient improvements; and

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

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

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

17 A. The Oklahoma Municipal Energy Independence Act shall apply
18 to developed property located within the borders of the municipality
19 on which property taxes are paid and on which the owners of the
20 property are current in the payment of the property taxes.

21 B. Unless other repayment arrangements are agreed to, the
22 trustees of a municipal energy district authority may enter into an
23 agreement with a county to collect repayment of any loan made
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1 pursuant to the Oklahoma Municipal Energy Independence Act in the
2 same manner and at the same time as property taxes are paid.

3 C. Any loan made pursuant to the Oklahoma Municipal Energy
4 Independence Act shall constitute a lien on the property which is
5 the subject of the loan.

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

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

12 A municipal energy district authority may make grants to
13 nonprofit organizations to perform energy-efficiency audits or
14 retrofits on tax-exempt property.

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

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

20 1. Have an energy audit conducted on the property to be
21 improved to demonstrate the value of the project; and

22 2. Submit proof that the improvements at a minimum meet "Energy
23 Star" ratings.

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

1 COMMITTEE REPORT BY: COMMITTEE ON ENERGY, dated 2-24-11 - DO PASS,
As Coauthored.

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