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February 26, 2019

SENATE BILL NO. 1000

By: Leewright of the Senate

and

Fetgatter of the House

An Act relating to the Oklahoma Energy Independence Act; amending 19 O.S. 2011, Section 460.5, which relates to applicability of Act and liens; modifying property to which Act applies; modifying repayment structure of certain loans; requiring certain recording; modifying lien status of certain loans; modifying authority over certain liens; and providing an effective date.

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

SECTION 1. AMENDATORY 19 O.S. 2011, Section 460.5, is amended to read as follows:

Section 460.5. A. The Oklahoma Energy Independence Act shall apply only to ~~developed~~ property zoned as commercial property on which property taxes are paid and on which the owners of the property are current in the payment of the property taxes. The Oklahoma Energy Independence Act shall not apply to any property zoned as residential property.

1 B. The repayment of any loan made pursuant to the Oklahoma
2 Energy Independence Act shall be upon such terms as may be agreed to
3 by the property owner and the County Energy District Authority.

4 1. In the event of a mortgage on the property where a lien is
5 recorded pursuant to the Oklahoma Energy Independence Act, the
6 property owner shall obtain written consent from any mortgage holder
7 or holders prior to the issuance of any loan pursuant to the
8 Oklahoma Energy Independence Act.

9 2. Such loans issued in accordance with the Oklahoma Energy
10 Independence Act between a property owner and the County Energy
11 District Authority shall not accelerate upon default of a mortgage.

12 C. Any loan made pursuant to the Oklahoma Energy Independence
13 Act shall constitute a lien on the property which is the subject of
14 the loan only upon the recording of ~~a mortgage covering an~~
15 assessment contract provided by the County Energy District Authority
16 on the property in the office of the county clerk. Any mortgage
17 securing a loan lien imposed pursuant to the Oklahoma Energy
18 Independence Act shall be junior and inferior to all previously
19 recorded liens or mortgages of any kind run with the property and
20 have the same priority and status as a lien for unpaid ad valorem
21 property taxes. The exclusive method of enforcing a lien for
22 failure to repay any loan made pursuant to the Oklahoma Energy
23 Independence Act shall be by ~~judicial or nonjudicial foreclosure as~~
24 ~~provided by law~~ the local government in the same manner and with the

1 same priority as the enforcement of a lien for unpaid ad valorem
2 property taxes.

3 D. Only appliances or improvements that are permanently affixed
4 to the property shall be eligible for financing pursuant to the
5 Oklahoma Energy Independence Act.

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

7 COMMITTEE REPORT BY: COMMITTEE ON JUDICIARY
8 February 26, 2019 - DO PASS
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