

HOUSE AMENDMENTS TO HOUSE BILL 3241

By COMMITTEE ON ENERGY AND ENVIRONMENT

April 21

- 1 On page 1 of the printed bill, line 3, delete “, 223.680 and 223.685”.
- 2 Delete lines 5 through 30 and delete pages 2 and 3.
- 3 On page 4, delete lines 1 through 43 and insert:
- 4 **“SECTION 1. (1) As used in this section:**
- 5 **“(a) ‘Local government’ means cities and counties.**
- 6 **“(b) ‘Single-family dwelling’ means a noncommercial one-unit to four-unit residence, in-**
- 7 **cluding a detached or semidetached residence or a townhome.**
- 8 **“(c) ‘Utilities improvements’ means improvements to a single-family dwelling for any of**
- 9 **the following purposes:**
- 10 **“(A) Energy efficiency.**
- 11 **“(B) Renewable energy.**
- 12 **“(C) Energy storage.**
- 13 **“(D) Smart electric vehicle charging stations.**
- 14 **“(E) Water efficiency.**
- 15 **“(2)(a) Subject to subsection (3) of this section, a local government may establish a pro-**
- 16 **gram to assist owners of record of single-family dwellings in financing cost-effective utilities**
- 17 **improvements to the single-family dwellings.**
- 18 **“(b) The utilities improvements must be authorized by:**
- 19 **“(A) A local government implementing a program established under this section; or**
- 20 **“(B) The State Department of Energy for a loan issued under subsection (10) of this**
- 21 **section to a local government that establishes a program in cooperation with a local gov-**
- 22 **ernment described in subparagraph (A) of this paragraph.**
- 23 **“(c) A program established pursuant to this subsection may provide for the local gov-**
- 24 **ernment to:**
- 25 **“(A) Make loans to owners financed with the net proceeds and interest earnings of re-**
- 26 **venue bonds authorized by subsection (9) of this section;**
- 27 **“(B) Facilitate private financing by the owners; or**
- 28 **“(C) Make loans under subparagraph (A) of this paragraph and facilitate private financing**
- 29 **under subparagraph (B) of this paragraph.**
- 30 **“(3) Before establishing a program under this section, the local government shall provide**
- 31 **notice to utilities that distribute electric energy, natural gas or water within the areas in**
- 32 **which the local government will operate the program.**
- 33 **“(4)(a) A local government that establishes a program under this section shall require**
- 34 **an owner of a single-family dwelling who requests assistance under this section to submit**
- 35 **such financial information as the local government considers necessary to make any deter-**

1 **mination under this subsection.**

2 **“(b) A local government that establishes a program under this section shall impose re-**
3 **quirements to ensure that, with respect to a single-family dwelling, the costs of the im-**
4 **provements financed under this section do not exceed the cumulative cost savings of the**
5 **improvements over the useful life of the improvements.**

6 **“(c) Notwithstanding paragraph (a) of this subsection, a local government may assist an**
7 **owner of a single-family dwelling under this section based on an evaluation by the local**
8 **government of the owner’s income and obligations that shows to the satisfaction of the local**
9 **government that the owner will be able to meet the annual obligations arising from assist-**
10 **ance under this section.**

11 **“(d) Notwithstanding paragraphs (b) and (c) of this subsection, the local government may**
12 **not assist an owner under this section if:**

13 **“(A) Any property taxes imposed on the single-family dwelling for which the owner is li-**
14 **able are delinquent;**

15 **“(B) Any payments for debt secured by a mortgage on the single-family dwelling are de-**
16 **linquent;**

17 **“(C) Any liens on the single-family dwelling are being foreclosed or there are any pending**
18 **notices of default with respect to debt secured by the single-family dwelling; or**

19 **“(D) The owner is currently seeking relief from creditors under the laws of bankruptcy.**

20 **“(e) The local government may impose any other requirements or conditions on loans or**
21 **financing agreements that the local government considers necessary or appropriate to en-**
22 **sure timely repayment.**

23 **“(5)(a) For purposes of subsection (4)(a) of this section, a local government shall require**
24 **performance of an energy or water audit on a single-family dwelling before the local gov-**
25 **ernment approves a loan for utilities improvements to the single-family dwelling.**

26 **“(b) An energy or water audit of the single-family dwelling is not required in the cir-**
27 **cumstances described in subsection (4)(c) of this section.**

28 **“(6)(a) If the owner of record of a single-family dwelling requests financing pursuant to**
29 **a program established under this section, the local government implementing the program**
30 **may:**

31 **“(A) Enter into a loan agreement with the owner, and any other person benefited by the**
32 **loan; or**

33 **“(B) Facilitate a financing agreement for the owner, and any other person benefited by**
34 **the financing.**

35 **“(b) A loan agreement or financing agreement entered into pursuant to paragraph (a) of**
36 **this subsection must be in a principal amount that:**

37 **“(A) Is sufficient to pay:**

38 **“(i) The costs of utilities improvements the local government determines will benefit the**
39 **single-family dwelling and the borrowers;**

40 **“(ii) The costs of the energy or water audit; and**

41 **“(iii) The costs and reserves of the program;**

42 **“(B) Does not exceed 20 percent of the real market value of the single-family dwelling;**
43 **and**

44 **“(C) When added to any mortgage debt principal outstanding on the single-family dwell-**
45 **ing, does not exceed the real market value of the single-family dwelling.**

1 “(c) A local government acting pursuant to paragraph (a) of this subsection may:

2 “(A) If the local government makes a loan, charge the borrower an interest rate on the

3 principal amount that is sufficient to pay the financing costs of the loan program, including

4 loan delinquencies; and

5 “(B) Charge periodic fees to pay for program costs.

6 “(d)(A) A local government shall charge an owner who receives assistance under this

7 section a fee that is equal to the greater of:

8 “(i) One percent of the amount loaned or financed; or

9 “(ii) The actual costs incurred by the assessor of the county in which the single-family

10 dwelling is located in administering the financing under this section.

11 “(B) Fees charged and collected under this section may be expended solely for operations

12 of the office of the county assessor.

13 “(7) The local government implementing a program established under this section may:

14 “(a) Secure a loan or financing with a lien on the benefited single-family dwelling with

15 the same priority, as determined under ORS 223.230 (3), as a lien for assessments for local

16 improvements arising under ORS 223.393.

17 “(b) Assess the benefited single-family dwelling for the amounts due under a loan agree-

18 ment or financing agreement.

19 “(c) Enforce a lien and collect an assessment authorized by this section as provided in

20 ORS 223.505 to 223.650.

21 “(d) Secure a loan or financing in any other manner that the local government deter-

22 mines is reasonable.

23 “(8)(a) In lieu of enforcing liens and collecting assessments as provided in subsection (7)

24 of this section, a local government may certify the assessment, in the manner provided in

25 ORS 310.060, to the county assessor of each county in which benefited single-family dwellings

26 are located.

27 “(b) If the assessments are certified as provided in this subsection, the county assessor

28 shall:

29 “(A) Enter the assessment upon the county assessment roll against the single-family

30 dwellings described in the certificate, in the manner that other local government assess-

31 ments are entered;

32 “(B) Collect, account for and enforce the assessments in the manner that local govern-

33 ment property taxes are collected, accounted for and enforced; and

34 “(C) Transfer, as provided by law, the assessments collected to the local government that

35 imposed the assessment.

36 “(9) A local government may issue revenue bonds pursuant to ORS 287A.150 to finance

37 the costs of a program established under this section, including the costs of making loans

38 for utilities improvements.

39 “(10) The State Department of Energy may lend money under the provisions of ORS

40 470.060 to 470.080 and 470.090 to a local government that establishes a program under this

41 section in cooperation with a local government implementing a program under this section.

42 “(11)(a) A local government that establishes a program under this section must adopt

43 consumer protection standards informed by the Best Practice Guidelines for Residential

44 PACE Financing Programs published by the United States Department of Energy on No-

45 vember 18, 2016.

1 “(b) The consumer protection standards must address, at a minimum, property owner
2 disclosures, contractor conduct, acceptable products and projects with pricing guidelines,
3 marketing practices, consumer support before and after financing, treatment of protected
4 classes, grievance procedures, data security and privacy matters.

5 “(c) The local government shall ensure compliance with the consumer protection stan-
6 dards or enter into an agreement with a public or private third-party administrator to ensure
7 compliance.

8 “SECTION 2. (1) As used in this section:

9 “(a) ‘Local government’ means cities and counties.

10 “(b) ‘Seismic rehabilitation’ means improvements to single-family dwellings that are:

11 “(A) Intended to reduce or prevent harm to persons and property due to the effects of
12 seismic activity on the single-family dwelling; and

13 “(B) Authorized by a local government implementing a program established under this
14 section.

15 “(c) ‘Single-family dwelling’ means a noncommercial one-unit to four-unit residence, in-
16 cluding a detached or semidetached residence or a townhome.

17 “(2)(a) A local government may establish a program to assist owners of record of
18 single-family dwellings in financing cost-effective seismic rehabilitation of the single-family
19 dwellings.

20 “(b) A program established pursuant to this subsection may provide for the local gov-
21 ernment to:

22 “(A) Make loans to owners financed with the net proceeds and interest earnings of re-
23 venue bonds authorized by subsection (7) of this section;

24 “(B) Facilitate private financing by the owners; or

25 “(C) Make loans under subparagraph (A) of this paragraph and facilitate private financing
26 under subparagraph (B) of this paragraph.

27 “(3)(a) A local government that establishes a program under this section shall impose
28 requirements to ensure that the loan or financing is consistent with the purposes of the
29 program and may impose any other requirements or conditions on loans or financing agree-
30 ments that the local government considers necessary or appropriate to ensure timely re-
31 payment.

32 “(b) Notwithstanding any other provision of this section, the local government may not
33 assist an owner under this section if:

34 “(A) Any property taxes imposed on the single-family dwelling for which the owner is li-
35 able are delinquent;

36 “(B) Any payments for debt secured by a mortgage on the single-family dwelling are de-
37 linquent;

38 “(C) Any liens on the single-family dwelling are being foreclosed or there are any pending
39 notices of default with respect to debt secured by the single-family dwelling; or

40 “(D) The owner is currently seeking relief from creditors under the laws of bankruptcy.

41 “(4)(a) If the owner of record of a single-family dwelling requests financing pursuant to
42 a program established under this section, the local government implementing the program
43 may:

44 “(A) Enter into a loan agreement with the owner, and any other person benefited by the
45 loan; or

1 “(B) Facilitate a financing agreement for the owner, and any other person benefited by
2 the financing.

3 “(b) A loan agreement or financing agreement entered into pursuant to paragraph (a) of
4 this subsection must be in a principal amount that:

5 “(A) Is sufficient to pay:

6 “(i) The costs of seismic rehabilitation the local government determines will benefit the
7 single-family dwelling and the borrowers; and

8 “(ii) The costs and reserves of the program;

9 “(B) Does not exceed 20 percent of the real market value of the single-family dwelling;
10 and

11 “(C) When added to any mortgage debt principal outstanding on the single-family dwell-
12 ing, does not exceed the real market value of the single-family dwelling.

13 “(c) A local government acting pursuant to paragraph (a) of this subsection may:

14 “(A) If the local government makes a loan, charge the borrower an interest rate on the
15 principal amount that is sufficient to pay the financing costs of the loan program, including
16 loan delinquencies; and

17 “(B) Charge periodic fees to pay for program costs.

18 “(d)(A) A local government shall charge an owner who receives assistance under this
19 section a fee that is equal to the greater of:

20 “(i) One percent of the amount loaned or financed; or

21 “(ii) The actual costs incurred by the assessor of the county in which the single-family
22 dwelling is located in administering the financing under this section.

23 “(B) Fees charged and collected under this section may be expended solely for operations
24 of the office of the county assessor.

25 “(5) The local government implementing a program established under this section may:

26 “(a) Secure a loan or financing with a lien on the benefited single-family dwelling with
27 the same priority, as determined under ORS 223.230 (3), as a lien for assessments for local
28 improvements arising under ORS 223.393.

29 “(b) Assess the benefited single-family dwelling for the amounts due under a loan agree-
30 ment or financing agreement.

31 “(c) Enforce a lien and collect an assessment authorized by this section as provided in
32 ORS 223.505 to 223.650.

33 “(d) Secure a loan or financing in any other manner that the local government deter-
34 mines is reasonable.

35 “(6)(a) In lieu of enforcing liens and collecting assessments as provided in subsection (5)
36 of this section, a local government may certify the assessment, in the manner provided in
37 ORS 310.060, to the county assessor of each county in which benefited single-family dwellings
38 are located.

39 “(b) If the assessments are certified as provided in this subsection, the county assessor
40 shall:

41 “(A) Enter the assessment upon the county assessment roll against the single-family
42 dwellings described in the certificate, in the manner that other local government assess-
43 ments are entered;

44 “(B) Collect, account for and enforce the assessments in the manner that local govern-
45 ment property taxes are collected, accounted for and enforced; and

1 “(C) Transfer, as provided by law, the assessments collected to the local government that
2 imposed the assessment.

3 “(7) A local government may issue revenue bonds pursuant to ORS 287A.150 to finance
4 the costs of a program established under this section, including the costs of making loans.

5 “(8)(a) A local government that establishes a program under this section must adopt
6 consumer protection standards informed by the Best Practice Guidelines for Residential
7 PACE Financing Programs published by the United States Department of Energy on No-
8 vember 18, 2016.

9 “(b) The consumer protection standards must address, at a minimum, property owner
10 disclosures, contractor conduct, acceptable products and projects with pricing guidelines,
11 marketing practices, consumer support before and after financing, treatment of protected
12 classes, grievance procedures, data security and privacy matters.

13 “(c) The local government shall ensure compliance with the consumer protection stan-
14 dards or enter into an agreement with a public or private third-party administrator to ensure
15 compliance.”.

16 On page 6, delete lines 10 through 12.

17
