

Requested by Representative MARSH

**PROPOSED AMENDMENTS TO
HOUSE BILL 3241**

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**
7 **four-unit residence, including a detached or semidetached residence**
8 **or a townhome.**

9 **“(c) ‘Utilities improvements’ means improvements to a single-**
10 **family dwelling for any of the following purposes:**

11 **“(A) Energy efficiency.**

12 **“(B) Renewable energy.**

13 **“(C) Energy storage.**

14 **“(D) Smart electric vehicle charging stations.**

15 **“(E) Water efficiency.**

16 **“(2)(a) Subject to subsection (3) of this section, a local government**
17 **may establish a program to assist owners of record of single-family**
18 **dwelling in financing cost-effective utilities improvements to the**
19 **single-family dwellings.**

20 **“(b) The utilities improvements must be authorized by:**

21 **“(A) A local government implementing a program established under**

1 **this section; or**

2 **“(B) The State Department of Energy for a loan issued under sub-**
3 **section (10) of this section to a local government that establishes a**
4 **program in cooperation with a local government described in subpar-**
5 **agraph (A) of this paragraph.**

6 **“(c) A program established pursuant to this subsection may provide**
7 **for the local government to:**

8 **“(A) Make loans to owners financed with the net proceeds and in-**
9 **terest earnings of revenue bonds authorized by subsection (9) of this**
10 **section;**

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

12 **“(C) Make loans under subparagraph (A) of this paragraph and fa-**
13 **cilitate private financing under subparagraph (B) of this paragraph.**

14 **“(3) Before establishing a program under this section, the local**
15 **government shall provide notice to utilities that distribute electric**
16 **energy, natural gas or water within the areas in which the local gov-**
17 **ernment will operate the program.**

18 **“(4)(a) A local government that establishes a program under this**
19 **section shall require an owner of a single-family dwelling who requests**
20 **assistance under this section to submit such financial information as**
21 **the local government considers necessary to make any determination**
22 **under this subsection.**

23 **“(b) A local government that establishes a program under this sec-**
24 **tion shall impose requirements to ensure that, with respect to a**
25 **single-family dwelling, the costs of the improvements financed under**
26 **this section do not exceed the cumulative cost savings of the im-**
27 **provements over the useful life of the improvements.**

28 **“(c) Notwithstanding paragraph (a) of this subsection, a local gov-**
29 **ernment may assist an owner of a single-family dwelling under this**
30 **section based on an evaluation by the local government of the owner’s**

1 **income and obligations that shows to the satisfaction of the local**
2 **government that the owner will be able to meet the annual obligations**
3 **arising from assistance under this section.**

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

6 **“(A) Any property taxes imposed on the single-family dwelling for**
7 **which the owner is liable are delinquent;**

8 **“(B) Any payments for debt secured by a mortgage on the single-**
9 **family dwelling are delinquent;**

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

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

15 **“(e) The local government may impose any other requirements or**
16 **conditions on loans or financing agreements that the local government**
17 **considers necessary or appropriate to ensure timely repayment.**

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

22 **“(b) An energy or water audit of the single-family dwelling is not**
23 **required in the circumstances described in subsection (4)(c) of this**
24 **section.**

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

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

30 **“(B) Facilitate a financing agreement for the owner, and any other**

1 **person benefited by the financing.**

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

5 **“(A) Is sufficient to pay:**

6 **“(i) The costs of utilities improvements the local government de-**
7 **termines will benefit the single-family dwelling and the borrowers;**

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

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

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

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

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

17 **“(A) If the local government makes a loan, charge the borrower an**
18 **interest rate on the principal amount that is sufficient to pay the fi-**
19 **ancing costs of the loan program, including loan delinquencies; and**

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

21 **“(d)(A) A local government shall charge an owner who receives as-**
22 **sistance under this section a fee that is equal to the greater of:**

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

24 **“(ii) The actual costs incurred by the assessor of the county in**
25 **which the single-family dwelling is located in administering the fi-**
26 **ancing under this section.**

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

29 **“(7) The local government implementing a program established un-**
30 **der this section may:**

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

5 “(b) Assess the benefited single-family dwelling for the amounts due
6 under a loan agreement or financing agreement.

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

9 “(d) Secure a loan or financing in any other manner that the local
10 government determines is reasonable.

11 “(8)(a) In lieu of enforcing liens and collecting assessments as pro-
12 vided in subsection (7) of this section, a local government may certify
13 the assessment, in the manner provided in ORS 310.060, to the county
14 assessor of each county in which benefited single-family dwellings are
15 located.

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

18 “(A) Enter the assessment upon the county assessment roll against
19 the single-family dwellings described in the certificate, in the manner
20 that other local government assessments are entered;

21 “(B) Collect, account for and enforce the assessments in the man-
22 ner that local government property taxes are collected, accounted for
23 and enforced; and

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

26 “(9) A local government may issue revenue bonds pursuant to ORS
27 287A.150 to finance the costs of a program established under this sec-
28 tion, including the costs of making loans for utilities improvements.

29 “(10) The State Department of Energy may lend money under the
30 provisions of ORS 470.060 to 470.080 and 470.090 to a local government

1 that establishes a program under this section in cooperation with a
2 local government implementing a program under this section.

3 “(11)(a) A local government that establishes a program under this
4 section must adopt consumer protection standards informed by the
5 Best Practice Guidelines for Residential PACE Financing Programs
6 published by the United States Department of Energy on November 18,
7 2016.

8 “(b) The consumer protection standards must address, at a mini-
9 mum, property owner disclosures, contractor conduct, acceptable pro-
10 ducts and projects with pricing guidelines, marketing practices,
11 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 con-
14 sumer protection standards or enter into an agreement with a public
15 or private third-party administrator to ensure compliance.

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

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

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

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

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

24 “(c) ‘Single-family dwelling’ means a noncommercial one-unit to
25 four-unit residence, including a detached or semidetached residence
26 or a townhome.

27 “(2)(a) A local government may establish a program to assist own-
28 ers of record of single-family dwellings in financing cost-effective
29 seismic rehabilitation of the single-family dwellings.

30 “(b) A program established pursuant to this subsection may provide

1 for the local government to:

2 “(A) Make loans to owners financed with the net proceeds and in-
3 terest earnings of revenue bonds authorized by subsection (7) of this
4 section;

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

6 “(C) Make loans under subparagraph (A) of this paragraph and fa-
7 cilitate private financing under subparagraph (B) of this paragraph.

8 “(3)(a) A local government that establishes a program under this
9 section shall impose requirements to ensure that the loan or financing
10 is consistent with the purposes of the program and may impose any
11 other requirements or conditions on loans or financing agreements
12 that the local government considers necessary or appropriate to en-
13 sure timely repayment.

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

16 “(A) Any property taxes imposed on the single-family dwelling for
17 which the owner is liable are delinquent;

18 “(B) Any payments for debt secured by a mortgage on the single-
19 family dwelling are delinquent;

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

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

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

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

30 “(B) Facilitate a financing agreement for the owner, and any other

1 person benefited by the financing.

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

5 “(A) Is sufficient to pay:

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

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

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

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

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

20 “(d)(A) A local government shall charge an owner who receives as-
21 sistance under this section a fee that is equal to the greater of:

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

23 “(ii) The actual costs incurred by the assessor of the county in
24 which the single-family dwelling is located in administering the fi-
25 nancing under this section.

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

28 “(5) The local government implementing a program established un-
29 der this section may:

30 “(a) Secure a loan or financing with a lien on the benefited single-

1 family dwelling with the same priority, as determined under ORS
2 223.230 (3), as a lien for assessments for local improvements arising
3 under ORS 223.393.

4 “(b) Assess the benefited single-family dwelling for the amounts due
5 under a loan agreement or financing agreement.

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

8 “(d) Secure a loan or financing in any other manner that the local
9 government determines is reasonable.

10 “(6)(a) In lieu of enforcing liens and collecting assessments as pro-
11 vided in subsection (5) of this section, a local government may certify
12 the assessment, in the manner provided in ORS 310.060, to the county
13 assessor of each county in which benefited single-family dwellings are
14 located.

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

17 “(A) Enter the assessment upon the county assessment roll against
18 the single-family dwellings described in the certificate, in the manner
19 that other local government assessments are entered;

20 “(B) Collect, account for and enforce the assessments in the man-
21 ner that local government property taxes are collected, accounted for
22 and enforced; and

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

25 “(7) A local government may issue revenue bonds pursuant to ORS
26 287A.150 to finance the costs of a program established under this sec-
27 tion, including the costs of making loans.

28 “(8)(a) A local government that establishes a program under this
29 section must adopt consumer protection standards informed by the
30 Best Practice Guidelines for Residential PACE Financing Programs

1 published by the United States Department of Energy on November 18,
2 2016.

3 “(b) The consumer protection standards must address, at a mini-
4 mum, property owner disclosures, contractor conduct, acceptable pro-
5 ducts and projects with pricing guidelines, marketing practices,
6 consumer support before and after financing, treatment of protected
7 classes, grievance procedures, data security and privacy matters.

8 “(c) The local government shall ensure compliance with the con-
9 sumer protection standards or enter into an agreement with a public
10 or private third-party administrator to ensure compliance.”.

11 On page 6, delete lines 10 through 12.

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