
DIGEST

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HB 619 Original

2021 Regular Session

Hilferty

Abstract: Authorizes parish governing authorities to create commercial property assessed clean energy resilient programs in federally designated opportunity zones.

Proposed law authorizes parish governing authorities to establish, by ordinance, commercial property assessed clean energy resilient programs (Resilient C-PACE) in federally designated opportunity zones located within in their respective jurisdictions. Provides that Resilient C-PACE is a loan program created to encourage, accommodate, and enable financing of eligible improvements made by capital providers to property owners. Requires that the ordinance designate the areas within the parish in which Resilient C-PACE activities are eligible. Authorizes the parish to contract with a third-party program administrator to manage the program.

Proposed law provides that the owner of a qualified property may request a loan from a capital provider to cover all direct and indirect costs related to the installation, modification, or new construction of eligible improvements to be affixed to the qualified property. Requires the program administrator to accept or reject a loan request according to criteria established by the program administrator. Provides that the term for repayment of a loan cannot exceed the weighted average usefulness of eligible improvements or 30 years, whichever is less.

Proposed law requires an owner to be current on all outstanding mortgage loans encumbering the qualified property in order to qualify for financing. Requires an appropriate evaluation, such as energy analysis or renewable energy system feasibility study to be conducted on the qualified property prior to the loan. Prohibits acceleration of a loan in the case of default and provides that a loan delinquency shall exist only for liens not paid when due.

Proposed law requires a capital provider, prior to entering a financing agreement, to receive written consent from any holder of a lien, mortgage, or security interest in the qualified property that the property may participate in Resilient C-PACE and the Resilient C-PACE lien takes priority over all other liens, except for ad valorem tax liens. Provides that the consent takes the form and substance of a written lender consent and subordination agreement. Provides further with respect to the content requirements of the agreement.

Proposed law requires that the loan amount, including capitalized interest and administrative fees, be assessed against the qualified property upon which the eligible improvements are affixed and be collected by the program administrator, third-party servicer, or capital provider. Requires the capital provider, in order to secure repayment of a loan, to file a statement of Resilient C-PACE lien with the recorder of mortgages for the parish in which the qualified property is located upon entering into

a loan with a property owner. Provides further with respect to content requirements of the statement. Proposed law requires that the ordinance that establishes the district authorize the parish to enforce the Resilient C-PACE lien in the same manner as other parish enforced liens.

Proposed law provides that upon failure of the property owner to pay the current year's Resilient C-PACE payment, the parish can enforce the Resilient C-PACE lien and privilege to recover and collect the current year's payment along with payments remaining delinquent from previous years. Provides that the Resilient C-PACE lien and privilege has the same ranking as ad valorem tax liens as provided in present law, and may be enforced and collected and authorized by present law.

Proposed law requires that loans be repaid by the property owner through loan payments made in the amounts and at such times as set forth in the loan documents and the Resilient C-PACE program guide. Provides that the capital provider is responsible for the servicing of the loans and the collection of loan payments. Requires the program administrator to provide written evidence of cancellation and release of the Resilient C-PACE lien and to record it in the public mortgage records for the parish once the loan is paid in full.

(Adds R.S. 33:4550.1-4550.5)