

DRAFT LBDC

A BUDGET BILL submitted by the Governor
in accordance with Article VII of the Constitution

AN ACT to amend the public authorities law and the real property law, in relation to the on-bill recovery mechanism for the "green jobs-green New York" program

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subdivision 4 of section 1896 of the public authorities
2 law, as added by chapter 388 of the laws of 2011, is amended and a new
3 subdivision 5 is added to read as follows:

4 4. [(a)] Qualified energy efficiency services [repaid through an
5 on-bill recovery mechanism] that have been paid for in whole or in part
6 with the proceeds of a loan under this title shall be considered a
7 special energy project pursuant to section eighteen hundred fifty-one of
8 this article. [The New York state energy research and development
9 authority shall secure every loan issued for such services that are to
10 be repaid through an on-bill recovery mechanism with a mortgage upon the
11 real property that is improved by such services. Such mortgage shall be
12 recorded pursuant to section two hundred ninety-one-d of the real prop-
13 erty law.

14 (b) All terms and provisions of a green jobs-green New York mortgage
15 pursuant to this subdivision shall be subject and subordinate to the
16 lien of any mortgage or mortgages on such property. When a subsequent
17 purchaser of the property is granted a mortgage, the green jobs-green
18 New York mortgage shall be subordinate to the terms of that mortgage.

19 (c) The mortgagee shall not retain any right to enforce payment or
20 foreclose upon the property.]

1 5. (a) For each loan issued for qualified energy efficiency services
2 that is to be repaid through an on-bill recovery mechanism, the New York
3 state energy research and development authority shall record, pursuant
4 to article nine of the real property law, in the office of the appropri-
5 ate recording officer, a declaration with respect to the property
6 improved by such services of the existence of the loan and stating the
7 total amount of the loan, the term of the loan, and that the loan is
8 being repaid through a charge on an electric or gas meter associated
9 with the property. The declaration shall further state that it is being
10 filed pursuant to this section and, unless fully satisfied prior to sale
11 or transfer of the property, the loan repayment utility meter charge
12 shall survive changes in ownership, tenancy, or meter account responsi-
13 bility and, until fully satisfied, shall constitute the obligation of
14 the person responsible for the meter account. Such declaration shall not
15 constitute a mortgage and shall not create any security interest or lien
16 on the property. Upon satisfaction of the loan, the authority shall file
17 a declaration of repayment pursuant to article nine of the real property
18 law.

19 (b) The recording officer shall record such declarations in the same
20 book, provided under section three hundred fifteen of the real property
21 law, in which such recording officer records deeds.

22 § 2. The real property law is amended by adding a new section 291-j to
23 read as follows:

24 § 291-j. Recording of declarations by the New York state energy
25 research and development authority. Pursuant to subdivision five of
26 section eighteen hundred ninety-six of the public authorities law, the
27 New York state energy research and development authority shall record or
28 cause to be recorded, in the office of the appropriate recording offi-

1 cer, a declaration evidencing the existence of a loan as described ther-
2 ein and, upon satisfaction of such loan, such authority shall file a
3 declaration of repayment and full satisfaction of the loan repayment
4 utility meter charge. The recording officer shall record such declara-
5 tions in the same book, provided under section three hundred fifteen of
6 the real property law, in which such recording officer records deeds.

7 § 3. This act shall take effect immediately.