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 law, as added by chapter 388 of the laws of 2011, is amended and a new subdivision 5 is added to read as follows:

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

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

(c) The mortgagee shall not retain any right to enforce payment or foreclose upon the property.]
5. (a) For each loan issued for qualified energy efficiency services that is to be repaid through an on-bill recovery mechanism, the New York state energy research and development authority shall record, pursuant to article nine of the real property law, in the office of the appropriate recording officer, a declaration with respect to the property improved by such services of the existence of the loan and stating the total amount of the loan, the term of the loan, and that the loan is being repaid through a charge on an electric or gas meter associated with the property. The declaration shall further state that it is being filed pursuant to this section and, unless fully satisfied prior to sale or transfer of the property, the loan repayment utility meter charge shall survive changes in ownership, tenancy, or meter account responsibility and, until fully satisfied, shall constitute the obligation of the person responsible for the meter account. Such declaration shall not constitute a mortgage and shall not create any security interest or lien on the property. Upon satisfaction of the loan, the authority shall file a declaration of repayment pursuant to article nine of the real property law.

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

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

§ 291-j. Recording of declarations by the New York state energy research and development authority. Pursuant to subdivision five of section eighteen hundred ninety-six of the public authorities law, the New York state energy research and development authority shall record or cause to be recorded, in the office of the appropriate recording offi-
cer, a declaration evidencing the existence of a loan as described ther-
in and, upon satisfaction of such loan, such authority shall file a
declaration of repayment and full satisfaction of the loan repayment
utility meter charge. The recording officer shall record such declara-
tions in the same book, provided under section three hundred fifteen of
the real property law, in which such recording officer records deeds.
§ 3. This act shall take effect immediately.